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Near East/South Asia Report

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19 March 1985

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EGYPT

'ABD AL-MAJID WASHINGTON STATEMENT REPORTED

NC080645 Cairo MENA in Arabic 1730 GMT 7 Feb 85

[Text] Washington, 7 Feb (MENA)--Foreign Minister Dr 'Isamat 'Abd al-Majid has stressed that Egypt insists that Israel stop building settlements in the West Bank and Gaza. He said that annexing the West Bank and the Gaza Strip will not achieve security for Israel because peace is the only security in the region.

Dr 'Abd al-Majid made this statement today at the American Institute for Political Studies at the beginning of his 3-day visit to Washington. He said: We call on the moderate elements in Israel to initiate a dialogue and negotiations with the moderate elements in the Arab world, particularly in the Palestinian camp.

'Abd al-Majid added: The Palestinians must be free from any interference in their march and in making their political decision. On our side we have always believed in the Palestinians' freedom of decisionmaking and that, if left alone, they are able to make political decisions through their democratic establishments.

Speaking about the peace process in the Middle East, 'Abd al-Majid said: In Egypt we welcome the latest U.S. pledges to revive Reagan's initiative and to stimulate the peace process. We hope to see the Middle East problem occupy a priority place in U.S. foreign policy. We also hope to see the United States again become a full partner in the peace talks.

Within this framework, 'Abd al-Majid said, we stress the need for dialogue between the United States and the Palestinians in the belief that this would constitute an important step in giving the Palestinians further confidence and in encouraging the moderate elements among them to go ahead with negotiations.

'Abd al-Majid further said that Egypt, while welcoming the Reagan initiative, calls for further efforts to stimulate this initiative. He said that there are other initiatives on the negotiating table, such as the Fes summit resolution and King Husayn's initiative which he declared at the opening session of the Palestine National Council. All these initiatives are a good basis for starting the peace negotiations in the future. In Egypt we welcome any initiative or proposal that may lead to peace.

'Abd al-Majid said: We have recently been told that the United States and the Soviet Union agreed to exchange views and ideas on the Middle East. We hope that these talks will succeed as we believe that understanding between the two superpowers will benefit the region. He pointed out that there have been several positive developments in the area, such as the Palestinian leaderships' independence, which they obtained at the recent Palestine National Council meeting, President Reagan's emphasis to revive his initiative, and the restoration of Jordanian-Egyptian relations. Concluding his speech, 'Abd al-Majid said: We must exploit these positive developments to avoid losing a new peace opportunity as has happened in the past.

Following his statement, a dialogue took place with a number of institute members. Answering a question on the Tabah problem, 'Abd al-Majid said that Tabah is 100 percent Egyptian territory and that all documents prove this. He said that if negotiations with Israel in this respect fail, we will resort to arbitration.

In response to a question on the possibility of a summit meeting between President Husni Mubarak and Israeli Prime Minister Shim'on Peres, 'Abd al-Majid said that this summit must be well prepared because it is not merely another meeting.

On the restoration of relations between Egypt and the Arab countries, 'Abd al-Majid said: We welcome the return of any Arab country to Egypt, without conditions.

Asked about the possibility of a dialogue between the United States and the Palestinians, 'Abd al-Majid said that the United States could have a dialogue with the Palestinians without recognizing them.

'Abd al-Majid is scheduled to meet with leaders of both houses of congress; the minister of planning and international cooperation, currently visiting Washington, will attend the meeting.

CSO: 4500/56

EGYPT

'ABD AL-MAJID DISCUSSES REAGAN INITIATIVE, PLO

NC100656 Cairo Domestic Service in Arabic 0500 GMT 10 Feb 85

[Report on speech delivered by Egyptian Foreign Minister Dr 'Ismat 'Abd al-Majid to U.S. researchers, journalists, and officials--date and place not given]

[Text] Foreign Minister Dr 'Ismat 'Abd al-Majid has urged the U.S. Administration to resume its role in reactivating the peace process in the Middle East. At the same time, he warned that the repercussions of any U.S. aloofness in this regard would increase feelings of despair and disappointment and would intensify the wave of violence in the Arab world.

The Egyptian foreign minister repeated the call, which President Mubarak made to President Reagan last year, for the United States and Israel to participate in a dialogue with the PLO. Dr 'Ismat 'Abd al-Majid said it is not necessary for the United States to recognize the PLO, but it is important that the United States should conduct a dialogue with it. He pointed out the emergence of moderate PLO leaders since the PNC meetings in Amman in November 1984. He added that this gives rise to optimism over the PLO's future course.

The foreign minister said that the restoration of diplomatic relations between Egypt and Jordan and President Reagan's commitment to his 1982 initiative for the establishment of peace in the Middle East are also two encouraging marks along the road of peace.

Dr 'Abd al-Majid welcomed the U.S.-Soviet dialogue on the Middle East, adding that this dialogue is a means toward alleviating tension between the two super-powers.

While expressing Egypt's welcome of Israel's decision to withdraw its forces from south Lebanon, the Egyptian foreign minister described Israel's plans to enable the army of southern Lebanon to control the areas adjacent to its borders as shortsighted. He said that Egypt has told the Israeli Government that the withdrawal must be genuine.

In another development, the Egyptian foreign minister, who is preparing for President Mubarak's visit to the United States in March, said that the coming weeks will be crucial with regard to the reactivation of the peace process.

Dr 'Abd al-Majid said that the situation in the area is not gloomy now that a series of positive developments have emerged, foremost of which are the emergence of independent Palestinian leaders from the hegemony of some extremist states, President Reagan's fresh commitment toward his peaceful initiative, and the restoration of Egyptian-Jordanian relations.

CSO: 4500/56

EGYPT

'ABD AL-MAJID DISCUSSES LEBANON, MUBARAK VISIT

NC082057 Cairo MENA in Arabic 1940 GMT 8 Feb 85

[Text] Washington, 8 Feb (MENA)--Foreign Minister Dr 'Isamat 'Abd al-Majid, currently on a visit to Washington, warned that any delay by the United States in introducing peace initiatives will expose the Middle East to unpredictable dangers. At a meeting with U.S. journalists, 'Abd al-Majid emphasized that Egypt's goals are peace, stability, and development. He renewed Egypt's call for a U.S.-Palestinian dialogue, and described the Palestinians as an original party to the Middle East problem. He said that serious talks are in progress between the Palestinians and Jordanians on coordinating their position.

Speaking on Tabah, 'Abd al-Majid said the issue should be submitted for arbitration if the current stalemate continues. He said that Egypt will hold on to every inch of its territory, and that Tabah is completely Egyptian.

On the Lebanese problem, 'Abd al-Majid welcomed the Israeli Government's decision to withdraw from Lebanon, and expressed hope that the withdrawal will be total and without harmful repercussions. He also appealed for the reassertion of Lebanese sovereignty throughout its territory. As for the guarantees Israel is asking for its northern borders, 'Abd al-Majid said they can be provided by the United Nations.

Concluding his statement, 'Abd al-Majid pointed out U.S.-(?Egyptian) relations, and described them as (?steadily growing). He said that Egypt has asked for additional U.S. aid, and that this question will be high on the agenda of President Mubarak's meeting with President Ronald Reagan during his upcoming visit to the United States.

CSO: 4500/56

EGYPT

SHAYKH AL-AZHAR DISCUSSES RELATIONS WITH U.S., ISRAEL

PM221113 Cairo AKHBAR AL-YAWM in Arabic 16 Feb 85 p 5

[Interview with rector of al-Azhar Shaykh Jad al-Haqq 'Ali Jad al-Haqq by Sana' al-Sa'id in Cairo--date not given]

[Excerpts] At the beginning of the interview I asked His Eminence the Grand Imam: Yet another year has passed since the call for liberating Jerusalem was made. With the passage of time the city's Arab identity is being lost and as the Arabs' rights in Jerusalem are being eroded Israel is seeking to Judaize the city. What is your opinion in this situation, especially since political talks on Jerusalem have reached a deadlock and the problem has become suspended?

Shaykh Jad al-Haqq: Jerusalem is of great importance for Islam. It is the place to which God's messenger journeyed.

Jerusalem is dear to the Muslims, it is their focal point, and all the Islamic nations turn toward it. The attacks on al-Aqsa mosque and on the Arabs in Jerusalem are contrary to all laws, covenants, and international laws. This is a violation of the human rights about which people and the major powers like to boast. I wonder what the big powers have done to those who have tried to destroy al-Aqsa mosque. Where are the big powers that boast about freedom and yet turn a blind eye to the crimes that are being committed against al-Aqsa mosque and those who are trying to defend it? What law permits the crimes that are being committed, such as throwing bombs and attacking the mosque and persecuting those worshipping in it? Only the laws of anarchy, barbarism, and the jungle allow such a thing.

Question: Despite the fact that Israel gained many advantages [from peace with Egypt], most significant of which is enjoying calm borders with Egypt, it has not so far made any concessions for the Palestinians. Is this not definite evidence that Israel's dream is not peace but the achievements of great Israel by exploiting the situation in its own interest to the maximum?

Shaykh Jad al-Haqq: There is no doubt that Israel is interested only in preserving its gains without trying to fulfill some of what it has pledged for the Palestinians. Such a thing no doubt is an indication of ill intentions and ulterior motives. What they write and say about the homeland they claim for

themselves is something that is found only in the Israeli imagination. Yet the Israelis insist on this homeland and work for it; they are also seeking to Judaize the area. The Arabs must wake up and unite in order to confront this danger, the Israeli expansionist plans. Israel is grabbing the land bit by bit and subjugating the country's population. This is evident in the statements of Israeli officials about expulsion of the Palestinians from their country and pulling down their homes over their heads simply because they are defending themselves. The world should take note of this and especially the Arabs and the Muslims. The Islamic world is called upon to protect the Arabs in Palestine and defend their cause in every place so as to deter those who indulge in killing and destruction.

Question: What about the United States and its support for Israel in all the policies it pursues?

Shaykh Jad al-Haqq: Obviously, in all its actions and wanton behavior Israel enjoys the support of the United States. As the Arab leaders say, the United States supplies Israel with food and guns without limit. The U.S. Treasury is wide open for Israel and its demands. What is strange is that the United States, despite all this tremendous quantity of aid and strong backing for Israel, so far has not tried to persuade and convince Israel to stick to its borders. On the contrary it has backed it in the invasion of Lebanon and in crossing its borders into it in order to occupy it and foment disputes, conflicts and incessant wars between its communities.

The United States has also backed it in its continuing attempts to expel the Arabs of Palestine from their homes and by giving it large financial assistance in order to build settlements on the occupied territories. It also gave it money and support in the matter of transporting Ethiopian Jews. All this is proof of the U.S. support for Israel in its aggression. The United States does not only give Israel support and aid but is also the motivator of and responsible for all that Israel commits in the area.

It is strange that the United States should behave in this manner while Arabs are its friends and its interests lie with them. For this reason the United States should respect friendship and interests and should at least treat the Arabs equally with Israel.

Question: Could the Islamic anticommunist ideology be the cornerstone of reliance on the United States to solve the area's exacerbating problems and stand against communist infiltration?

Shaykh Jad al-Haqq: It is preferable for the Muslims to be with neither the communists nor the capitalists. Their Islamic religion is not an economic or social creed; rather it is a religion that has come from God. Islam has its own sources and principles. The Muslims should not align themselves with communism against capitalism or with capitalism against communism. They should--as Islamic calls on them--be a middle-of-the-road nation within the sphere of Islam and the Sunnah. They should not incline toward any of the contemporary creeds or

support one side against the other. They should have their own identity and be in control of their destiny so that they occupy their place as a Muslim nation having its own characteristics and identity.

Question: This means that you are opposed to inclination toward or alliance with the Soviet Union or the United States?

Shaykh Jad al-Haqq: Inclination toward either of the two giants would be an invitation to polarization which has failed utterly and lead to consequences which we should be spared. The area tried alignment with the Soviet Union once and with other powers several times but found that the policy of polarization has harmed both its present and future.

If we look back we would see that we have been through difficult days when we were aligned with this or that state. We should, therefore, take things in our own hands, be in control of our destiny, and not become aligned with this or that side.

CSO: 4500/56

EGYPT

COMMENTARY DISCUSSES U.S. REPORT ON HUMAN RIGHTS

PM211051 Cairo AKHBAR AL-YAWM in Arabic 16 Feb 85 p 8

[Ibrahim Sa'dah "Political Situation" column: "A Testimony of Which We Are Proud"]

[Excerpts] The U.S. State Department's annual report on human rights in 1984 has praised Egypt as one of the Middle Eastern countries whose people enjoy respect for human rights and dignity.

What the State Department report said about respect for human rights in Egypt is felt by every citizen in the country, and every citizen is happy with it and keen to preserve it. Freedom of the individual is his most precious possession; his most treasured freedom is to be able to express his views freely without fear of oppression or the threat of losing his job and livelihood because of views that might offend the rulers.

Since he assumed office President Husni Mubarak has secured many such freedoms and rights for the Egyptian citizen. Both supporters and oppositionists bear witness to this. He has released political prisoners and received them at the republican palace. He gave writers full freedom to express their views and beliefs and restored full freedom to opposition parties.

A look at what is happening around us and in other countries should convince us of the soundness of our system and the democracy of our rule. Many peoples in our area are denied what we enjoy and press for it. Many regimes around us have robbed their citizens of their freedom and erected around them a wall of fear, anxiety and deprivation of the most fundamental rights.

What we are saying is not a lie against those rulers; indeed, it is a fact confirmed by all the annual reports issued by international organizations interested in human rights in the world, the latest being that issued by the U.S. State Department. This report condemned Israel's violation of human rights in the occupied Arab territories, the strict press censorship, the rigging of elections, and the crimes of torture against the Palestinians, who are killed, assassinated, or kidnapped. The annual report also attacked the Libyan regime, which provokes neighboring states and terrorizes, tortures, and physically liquidates Libyan citizens who dare to oppose it either in words or in deeds.

The Syrian regime has also received its full due in the pages of the U.S. State Department's annual report. The report criticized the oppressive measures by the Syrian regime against freedom of expression and its encouragement of terrorist organizations operating from Syria and Lebanon.

What is tragicomic is the fact that, despite all this, the Libyan and the Syrian regimes have never ceased attacking Egypt, criticizing its regime, casting doubts on its stands, attacking its policies, and shedding tears about the loss of freedoms and rights by its citizens.

Those who try to deceive others will only deceive themselves.

CSO: 4500/56

EGYPT

ISRAEL URGED TO 'RESPOND' TO JORDAN-PLO ACCORD

PM211529 Cairo AL-AHRAM in Arabic 17 Feb 85 p 1

[Unattributed report: "Mubarak-Pertini Talks To Cover Europe's Role in Settling the Middle East Crisis"]

[Excerpt] The official talks between President Husni Mubarak and Italian President Sandro Pertini, scheduled to begin this morning, will concentrate on the role Europe should play in solving the Middle East problem in the light of the Jordanian-Palestinian agreement. President Mubarak has described that agreement as being "a positive and brave step proving that the two sides are capable of shouldering the historical responsibility, confirming the genuine Arab interest in peace, and providing a golden opportunity for ending the conflict and ushering in a new era of prosperity, coexistence, and tolerance in the region."

The president also said that Israel should very well understand the significance of this great step and that, if it failed to respond to it and insisted on empty, rejectionist slogans, then it would be committing "a historic and fatal mistake for which it would be responsible before the new generations."

The president added that he was confident that the EEC would benefit from this step in future meetings. That, he said, would add new significance to the Venice and Dublin declarations and consequently help it to play a greater and more effective part, because the present time is the time of action and all states should join hands in shouldering the responsibility.

CSO: 4500/56

EGYPT

JORDAN-PLO ACCORD, PERTINI'S VISIT DISCUSSED

NC170700 Cairo Domestic Service in Arabic 0525 GMT 17 Feb 85

[From the press review]

[Text] Under the headline: "Mubarak-Pertini Talks and the Efforts To Establish Peace," AL-JUMHURIYAH says: The talks that began yesterday between President Husni Mubarak and Italian President Sandro Pertini are taking place amid new changes in the area that could be exploited and which could champion the legitimate rights of the Palestinian people.

AL-JUMHURIYAH explains that these changes have been generated by the Palestinian-Jordanian agreement on the joint move toward resolving the problem. The agreement, the paper adds, is based on international law as represented by the UN resolutions as well as by the resolutions adopted by influential regional groups, including the EEC.

AL-JUMHURIYAH notes that European demands in the past required the formulation of a clear-cut Arab stand so that the European group would move according to this stand. This was expressed by the Italian prime minister following his recent visit to the area. The paper affirms that the Palestinian-Jordanian agreement meets the Italian and European demands and is bound to pave the way for a more active European participation in the settlement of the region's crisis.

CSO: 4500/56

LIBYA

U.S. CONGRESS MEETING ON LIBYAN CENTRAL AMERICA ROLE DENOUNCED

LD111913 Tripoli Voice of Greater Arab Homeland in Arabic 2115 GMT 11 Feb 85

["Text" of AL-ZAHF AL-AKHDAR editorial on 11 February]

[Excerpts] The meeting held by the U.S. House of Foreign Affairs Committee to hear evidence from Reagan administration officials on what is called Libyan interference in Central America and the Caribbean is more like a meeting held by a gang of killers to plan aggression against a secure home, and in which its members testify that the inhabitants of this home are troublemakers and a nuisance who must be stopped. This is exactly what happened in that meeting held by the U.S. House of Foreign Affairs Committee. It heard statements by a number of senior officials of the American terror administration. One of them was Richard Murphy who, among other allegations, claimed that all the trouble in Central America is a result of Libyan interference in the domestic affairs of some states of the region, and of the financial assistance and weapons sent to the Sandinista revolutionary regime in Nicaragua and to insurgents in Grenada and El Salvador.

No doubt these testimonies given by the members of the American ruling gang are a new link in Washington's lengthy preparations to launch aggression against the Jamahiriyah and Nicaragua under the pretext that the Jamahiriyah supports international terrorism and that Nicaragua threatens stability in Central America as a result of the assistance it gets from the Jamahiriyah. But these farces have reached such a degree of triviality that now they convince no one even in the imperialist states of America. Evidence of this is furnished by the popular voices that are heard there now and again, warning Reagan's terror of the consequences of getting implicated in acts of aggression abroad which would entail nothing but calamities for the American people, such as those entailed by involvement in the Vietnam war.

Those who know the reality of the nightmare worrying Reagan due to the Jamahiriyah's influence in the international revolution movement, and the fact that this influence has been witnessed by the imperialist states of America, are convinced that this cowboy persists in his aggressive plan aimed at committing aggression against the Arab Libyan people. By his terror Reagan thinks that through such threats and frenzied propaganda campaigns it would be possible to intimidate the Arab Libyan people and oblige them to abandon their revolutionary option, to isolate them

internationally and to cut off their international role. But quite the opposite happens: the more Reagan intensifies his threats the more the Arab Libyan people stick to their principles, the principles laid down in the document proclaiming the establishment of the people's power on 2 March 1977, including the firm commitment to support the international liberation movements and the peoples struggling for freedom and final emancipation.

The Arab Libyan people will never abandon their revolutionary commitments, no matter how intense the American threats become. Besides, these people, sticking to their freedom and civilization achievements, have proclaimed their readiness to confront and rout any American aggression. In proclaiming this, they know that more than 1 million of their sons are capable of carrying arms and fighting to the death and martyrdom for the sake of every word carried by the document of the proclamation of the establishment of the people's power and for the great achievements that have moved them from a Middle Ages-type of life to the horizons of the 20th century.

CSO: 4500/51

LIBYA

BRIEFS

LIBYA-IRAN INDUSTRIAL COOPERATION--Tripoli, 21 Jumada al-Awwal, 11 Feb, JAMAHIRIYAH NEWS AGENCY--This afternoon a meeting was held in the Heavy Industries' Secretariat in Tripoli between the technical administrations' director in the Heavy Industries' Secretariat and Brother Mohammad Ja'far Danesh, the deputy minister of the Iranian mineral resources and the accompanying delegation who are currently on a visit to Jamahiriya. During the meeting a draft agreement, for mutual cooperation in the industry and mineral resources fields, was signed. The two sides also discussed the prospects of cooperation and the ways to ensure the support and consolidation of industries to carry them forward in this field. [Text] [Tripoli JANA in English 1811 GMT 11 Feb 85 LD]

CSO: 4500/51

MAURITANIA

FOOD PRICES, WAGES TO RISE; OTHER CHANGES NOTED

LD162234 Nouakchott Domestic Service in Arabic 2036 GMT 16 Feb 85

[Text] Lt Col Anne Amadou Babaly, member of the CMSN and minister of finance and commerce, gave today a statement to [words indistinct] financial situation in the country. In this statement, the minister explained the measures adopted by the government in order to face up to the situation. Here with a translation of this statement is colleague (Yaqub Ould Barnaoui):

Dear citizens, our economy faces a state of serious imbalance as a result of two major factors. The first concerns the acute drought which has hit the country for the past 10 years and which led to a deterioration in our harvests, which were 120,000 tons at the beginning of the 70's, while this year they did not exceed 20,000 tons. Secondly, the country borrowed huge sums of money to finance infrastructure projects and other projects which proved later on to be worthless, as they did not lead to any increase in production or to the efforts to develop and diversify the exports.

During 1983, the volume of foreign debts reached 177 percent of the raw internal production, and the interest on the foreign debts amounted to 30 percent of the value of the exports during the same year. This is something that surpasses our abilities, and the debts of the past years piled up.

The negative reflections of the past two factors were accentuated by the collapse of the international exchange system and the adoption of unsuitable policies in the field of pricing and the increase of the difficulties which face the public organizations.

In order to face up to this situation, the government, according to the directives of the CMSN, decided to adopt the suitable measures in all the aspects of the economic and social lives.

Concerning the fixing of prices, we realized that our policies do not encourage the local production, and they also do not take into consideration all the costs of the imported materials. To get over the tangible shortage in this field, and because of the high rate of exchange for the dollar on one hand, and to combat the smuggling of some basic food materials on the other, the government decided to alter the prices of the basic food materials in the following way:

--Increasing the price of normal rice which is (?produced) by [name indistinct] company by 6 ouguiya per kg;

--Increasing the price of good rice by 10 ouguiya per kg in the whole country;

--Increasing the prices of wheat and corn and [word indistinct] which are bought by the department of food security from the local farmers from 15 ouguiya to 21 ouguiya. The prices of these specific materials, when sold in the stores of the department, are increased from 17 ouguiya to 22 ouguiya in Nouakchott and from 16 ouguiya to 21 ouguiya in the rest of the country;

--Increasing the price for Mauritanian rice from 12.5 ouguiya to 14 ouguiya.

The national leadership will continue the policy of reducing the prices to overcome the financial deficit, from which the country suffers, as soon as possible.

In spite of our financial difficulties, the national leadership decided to increase the net salaries as from 15 February as follows:

--An increase of 1,000 ouguiya for the salaries less than or equal to 10,000 ouguiya per month;

--An increase of 500 ouguiya for the salaries more than 10,000 ouguiya.

At the external level, our aim in the medium term is to reach equilibrium in our balance of payment. Our country will adopt a more suitable policy in the field of exchange rates and a wise policy in the field of borrowing in order to encourage the production projects in the country. As for the investments, the government is more determined than at any previous time to accept only those projects of undoubted economic profitability, and whose financing could be obtained with acceptable conditions. In this concern, a clear and well defined policy for borrowing will be drawn, which will take into consideration the ability of the country in repayment and respecting this ability.

In the public sector, the government is determined to continue the reformation of the situation of the public organizations. This policy commenced at the end of 1983. The organizations are [word indistinct], (Sonader), the Maritime organization in Nouakchott, (Sonimex) and the Post and Communications Bureau. The reformation operations will include all the organizations whenever there is a need for this.

In addition to their positive effects, in reforming our national economy, these measures will convince our external partners that we are determined to reform our internal situation. These measures will contribute to the consolidation of our credibility, which is an absolute necessity in the negotiations aimed at rescheduling the debts.

Before ending this speech, I would like to take the chance to call on all citizens to offer more sacrifices and solidarity by which they were always characterized during the difficult circumstances. In the name of the government, I would like to confirm to them that these sacrifices will not be in vain and will achieve the desired aims. Thank you.

MAURITANIA

BRIEFS

ISLAMIC AFFAIRS ADVISER APPOINTED--The CMSN chairman announces: By decree signed on 11 February 1985, Moktar Mohamed Ould Abdallahi, secondary teacher, has been appointed adviser for Islamic affairs at the office of the CMSN chairman and head of state. [Text] [Nouakchott Domestic Service in French 0700 GMT 12 Feb 85 AB]

CSO: 4500/49

KUWAIT

KUWAIT PAPER INTERVIEWS SOVIET ACADEMICIAN

GF121808 Kuwait AL-ANBA' in Arabic 11 Feb 85 p 23

[Interview with Mikhail Kondakov, president of the USSR Academy of Pedagogical Sciences and president of the Soviet-Arab Friendship Society, by an unidentified AL-ANBA' reporter, in Moscow--no date given]

[Excerpts] [Reporter] Relations between the USSR and Kuwait are good. In your view, what are the horizons of these relations? Do you intend to set up a Soviet-Kuwaiti friendship society in the future?

[Kondakov] Over 20 years, following the establishment of diplomatic relations between the USSR and Kuwait in March 1963, ties between the two countries have been steadily developing. During this period, agreements for economic, technical, and cultural cooperation were signed between the two countries. Trade between the USSR and Kuwait has also been expanding.

The visits by Kuwaiti businessmen to the USSR, particularly the visit by Kuwaiti Deputy Prime Minister and Foreign and Information Minister Sabah al-Ahmad al-Sabah, were important milestones on the development of the Soviet-Kuwaiti friendship relations. In their joint statement issued at the time, the two sides expressed satisfaction that the amicable relations between them, based on equality, respect for sovereignty, and noninterference in their internal affairs, are expanding and mutually benefit the two countries. These relations are an indication of the importance and viability of cooperation among countries of different social systems. The two sides also expressed a readiness to continue to consolidate and develop relations.

Then came the visit by Kuwaiti Defense Minister Shaykh Salim Sabah al-Salim to the USSR in 1984. This visit greatly contributed to the continued development of Soviet-Kuwaiti relations. We would like to underline here the importance of the visit by Kuwaiti functionaries to the Soviet Union, led by Minister of State for Cabinet Affairs 'Abd al-'Aziz Husayn, whose visit was made in response to an invitation from our society. Not very long ago, a successful visit was made to Kuwait by a USSR Supreme Soviet delegation, led by August Voss, chairman of the Council of Nationalities at Presidium of the USSR Supreme Soviet. We believe it is high time to establish the closest and strongest relations between social circles and to set

up two friendship societies in the USSR and Kuwait. On our part, I frankly say that the Union of Soviet Societies for Friendship and Cultural Relations With Foreign Countries is carrying out very defined activities in this direction. Kuwait's national day is being marked regularly and the Soviet citizens acquaint themselves with the Kuwaiti people's life and culture. A short time ago, a selection from the works of Kuwaiti writers was published in Moscow under the title "The Gulf Winds." The magazine MOSCOW also published a translation of the poems of the Kuwaiti poet, Ahmad al-'Udwani. Many prominent Soviet scientists, artists, and literary figures are members of the Soviet-Arab Friendship Society or members of its board of directors. They are calling for setting up similar societies whose activities will undoubtedly contribute to the development and expansion of the amicable and cultural relations between the USSR and Kuwait.

[Reporter] All the Gulf countries, except Kuwait, have no diplomatic relations with the Soviet Union. Even in the absence of diplomatic relations, is it possible to strengthen friendship and cooperation with these countries through bolstering, for example, trade and cultural relations?

[Kondakov] I believe this is quite possible. The Soviet public believes that development and expansion of relations in trade, cultural, and other fields, based on the aforementioned principles, will enhance the deepening of understanding between the peoples of the Soviet Union and the Gulf. They will also produce mutual material and cultural benefits and fulfill their aspirations of better mutual understanding. This efficient and mutually beneficial cooperation is of special importance in the current tense international situation in general, and the Gulf region in particular. This cooperation is necessary to naturalize relations among countries, promote peace and security on the planet, and achieve progress for people.

[Reporter] Regretfully, the Arab region is currently one of the regions causing the most anxiety: The Israeli aggression is continuing against neighboring Arab countries, the Lebanese crisis has not been resolved, and the Iraqi-Iranian war has entered its fifth year. In your opinion, to what degree can the policy of the Soviet Union allow for supporting Arab struggles, and can the Soviet-Arab friendship resolve these conflicts?

[Kondakov] Regarding the Iranian-Iraqi conflict, the Soviet Union is convinced that the national interests of Iraq, Iran, and all the countries of this region necessitate the freezing of the Iranian-Iraqi dispute and bringing the two parties to the negotiating table. The sooner this takes place the more that will be gained by the people on the issue of freedom and independence and the issue of peace and stability in the region. The important thing here is to show good will, and realistic thinking and to pay attention to the necessary requirements of the peoples of the two countries that have been exhausted by the war and deprivation, and also to create a political atmosphere that would be appropriate for starting a peaceful dialogue.

Amid the continued imperialist plots in the Near and Middle East, we regard the Soviet-Arab relations as a reflection of the international socialist

alliance and the Arab liberation movement. This alliance serves the interests of the Arab peoples and helps them to confront the hostile practices of imperialism and Zionism in the region. In my opinion, the stronger, more versatile, and wider the Soviet-Arab relations are, the stronger will be the abilities of the independent Arab countries to confront the imperialist and Zionist plots.

CSO: 4400/82

KUWAIT

CULTURAL COOPERATION PROTOCOL SIGNED WITH CSSR

LD171142 Kuwait KUNA in English 1019 GMT 17 Feb 85

[Text] Kuwait, Feb 17 (KUNA)--Kuwait and Czechoslovakia Sunday signed the protocol for implementation of the cultural agreement covering 1985-86.

The protocol signed by Secretary General of the Kuwait National Council for Culture, Arts and Letters Ahmed Mishari al-Edwani [KUNA spelling] and Czechoslovak Ambassador to Kuwait Dr. Jan Straka stipulates cooperation in educational, scientific, cultural, artistic, informational, sportive and youth fields.

Al-Edwani said relations between the two countries were and will remain strong on all levels and affirmed that the protocol agreement will increase cooperation so that the two peoples would get acquainted on each other's culture, pointing out that such exchange is a means for consolidating world peace.

The Czech envoy on the other hand stressed that the agreement is one aspect of bilateral cooperation and underlined that his country intends to execute the protocol in confirmation of established cooperation between the two countries.

The protocol calls for developing cooperation between universities of the two countries as well as between Kuwait Institute for Scientific Research and similar institutes in Czechoslovakia in addition to the exchange of experts and specialists in scientific and cultural spheres.

The protocol further elaborates on areas of cooperation in cultural and artistic fields including exchange of sites between artists and troupes in addition to establishment of cultural and artistic exhibitions and inviting Kuwait to attend international carnivals in Czechoslovakia.

Developing relations between the two states' news agencies, encouraging the exchange of films, including the possibility of holding films festivals, and radio and television programs are also stipulated in the protocol.

It further advocates the exchange of sportive teams and trainers.

The signing ceremony was attended by Assistant Secretary General at the National Council Dr. Khalifa al-Waqayan [KUNA spelling], Director of the Cultural and Artistic Affairs Sudqi Hattab [KUNA spelling], Supervisor of Cultural Affairs Abdul Aziz al-Srayye [KUNA spelling], and a number of Czech Embassy staff.

CSO: 4400/82

LEBANON

DEFENSE COMMITTEE HEAD PRAISES RESISTANCE IN SOUTH

London AL-MAJALLAH in Arabic No 253, 15-21 Dec 84 p 17, 19

[Interview with Fu'ad Lahhud, chairman of the Defense and Justice Committee, by Zaki Shihab; date and place not specified]

[Text] Colonel Fu'ad Lahhud, chairman of the legislative Defense and Justice Committee in Lebanon, is reproachful and afraid. It was his idea to have bilateral negotiations with Israel under the supervision of the United Nations within the framework of the truce signed in 1949. Colonel Lahhud says that when he met with Prime Minister Rashid Karami last week, he reproached him, saying, "Ask us for advice. We fought Israel before we signed the truce with them, and I was one of those rare or few Arabs who defeated them in battles during the 1948 war. In addition, I am an old military man and an expert, and the first one to propose the idea of these negotiations."

Even though Colonel Lahhud is a member of the bloc of deputies of the National Liberal Party, and a member of the political bureau of the same party, he still has a distinctive method and presentation. He attacked the 17 May agreement when it was signed and said that it was inauspicious because it would deprive Lebanon of its independence and sovereignty. Colonel Lahhud lives in his villa in the section of al-Sana'i' in West Beirut, where the forces and parties have methods and tendencies that are sometimes opposed to his policies and positions. In this context, he says, "What is the objection? I am Lebanese and no one will argue about that. I am also an Arab, but without private commitments." AL-MAJALLAH met with him and conducted an interview focusing on the al-Naqurah negotiations.

[Question] The desire has emerged among most observers, both domestic and Arab, to make the 1949 truce the basis for the al-Naqurah negotiations. What is the background of this truce? Do you share the fear that Lebanon will sign an agreement similar to the May agreement?

[Answer] The agreement that we have now reached on security arrangements between Lebanon and Israel under the supervision of the United Nations had to occur to replace the inauspicious agreement (of 17 May). In accordance with this idea, I proposed this during the Israeli-Lebanese negotiation, and presented it officially during the discussion of this agreement in the

legislature in June 1983. My proposal was accepted and was sent to the legislative committees for study in case the "inauspicious" agreement failed. The relevant legislative committees met for the first time on 11 October of the same year and for the second time on 22 February of the current year. I presented to the government the following proposal:

"Whereas the 1949 truce is still in effect, based on resolutions of the Security Council, especially Resolution 332/73, the joint legislative committees (defense, foreign affairs, administration and justice) order the following:

1. That the Cairo Agreement signed 3 November 1969 as well as all its appendices be considered null and void.
2. That the agreement of 17 May be considered null and void because it contradicts the text of the 1949 truce, especially Section 8, Paragraph 3.
3. That in sympathy with Security Council Resolution No 509, dated 6 June 1982, it is demanded that the executive authority open negotiations as quickly as possible with Israel with a view toward reviewing the truce between Lebanon and Israel that was signed 23 March 1949, based on the Security Council Resolution of 16 November 1948 and that these new negotiations should be conducted by two military teams under the supervision of an American officer delegated by the United Nations. The agreement reached would become effective immediately after being signed by the two aforementioned parties, without any need for approval from the legislature or ratification by the president, knowing that this kind of procedure was followed during the negotiations for the 1949 truce, and the same procedure must therefore be followed.

The new negotiations must follow the principles articulated in Section 8 of the truce of 1949.

The legislature is to be informed of each successive step taken by the executive authority to carry out the decisions mentioned above."

Repeated Mistake

Lahhud went on to say, "But the government did not adhere to this proposal until it was forced in the end under popular Lebanese and Arab pressure to nullify the agreement of 17 May without any explanation that it was prepared to replace it with another solution. From this, I believe that the signing of the agreement of 17 May was a mistake, and nullifying it without replacing it with a security agreement was also a mistake. I explained that at the time, that the solution is in a security agreement. Now we see that everyone has returned to my theory, which I explained in my proposal

to the legislative committees. If only we had adopted this theory instead of agreeing to the 17 May agreement, but rather we brought upon the country the mountain disaster in September 1983, and the disaster of Beirut and the [southern] suburb in the beginning of February 1984.

"The negotiations with Israel to reach security arrangements are the real access to liberating the land, provided that these negotiations are conducted wisely and according to international and military convention. Every obstacle to these negotiations comes from one or another direction and that is what will cast the country into new disasters even worse than those of the mountain and Beirut and the suburb. The idea of not conducting any negotiations and forcing Israel to withdraw under popular pressure is mistaken, in my view. It is also a mistake to conduct negotiations to force Israel to withdraw without there being popular pressure to go along with it. What should happen is for negotiations to be conducted under pressure, and for the national resistance to continue its activities, because it is an essential part of the negotiations.

"It is mistaken to believe that simply conducting negotiations with Israel means recognizing it. The opposite is true, because conducting only military negotiations with Israel is a confirmation of non-recognition of it. The fact that it is not necessary for the government and parliament to approve the security arrangements that will occur means that no political, economic or other stamp is given to this security agreement. If we return to the 1949 truce, we see that it was signed by two military delegations. The Lebanese side was represented by Lt Col Tawfiq Salim and Maj Joseph Harb. Section 2, Paragraph 1 states, 'The present agreement becomes valid immediately upon being signed by the two military delegations and does not require ratification by political authorities, this being the international procedure followed when truce agreements are signed.'"

[Question] Recent developments in today's arena lead people to say that the truce will be amended.

[Answer] It says in my proposal that we must start from the text of the 1949 truce, which means that if we want to amend this agreement, we have to stay within the text of Section 8, Paragraphs 3 and 4. Paragraph 3 states the following?

"By mutual consent, the two parties may review or cancel this agreement except for Section 1, which deals with the cessation of hostilities." And Section 3, which stipulates that "no hostile action should be taken by means of irregular forces against the other country. If the two teams do not reach any agreement, one of the two can request the Secretary General of the United Nations to hold a meeting of the two teams at which he would preside, and this summons would be binding on each of them." Paragraph 4 states that "if the arbitration of the secretary general fails, then the case will be remitted to the Security Council, which has absolute authority to decide the case, because it was this council that resolved on 16 November 1948 to undertake military negotiations between the two parties

in order to reach a truce." This means that any amendment to the 1949 truce must be based on this text.

Resistance Is Not A Violation

[Question] Does the initiation of military actions from Lebanon violate the text of the above-mentioned truce?

[Answer] Yes, it does violate it, because Paragraph 2 of Section 3 explicitly states that, but David Kimche, the head of the Israeli delegation in the negotiations of 17 May, stated in his opening speech that Lebanon had no choice when guerilla action occurred in Lebanon against Israel the way it did. That means that Lebanon cannot be responsible, so Israel uses it as a pretext and says that Lebanon did not honor the truce. What the national resistance is doing now is not considered a violation of the truce because Israel is the aggressor. It attacked Lebanon in 1972 and 1978 and then left in compliance with a Security Council resolution. It also attacked it in 1982 without any justification. Resolution 509 was issued by the Security Council demanding that it withdraw unconditionally, but it refused to comply with this order. It does not want to withdraw until it subjects Lebanon to conditions and a surrender that it cannot accept. So now the popular uprisings are justified, and they should be supported by all means, in accordance with Security Council Resolution 509. It is therefore not possible to consider this heroic action a violation of the truce because it is Israel that must withdraw first according to the security arrangements. After that, actions of the Lebanese resistance will cease.

We Have Many Cards In Our Hands

[Question] How is Lebanon's delegation to the al-Naqurah negotiations different from the previous delegation that negotiated in Khaldah and Qiryat Shemonah?

[Answer] Of course it is different, because the 17 May delegation was a delegation headed by a civilian politician, and the present delegation is headed by a military man. The first delegation was appointed by the government, so it was political, whereas the second delegation was appointed by the Army leadership, so it is strictly military.

[Question] There are also fears that Israel will do what it did before, which is to demand special military privileges, like conducting patrols, deciding the number of troops that will be in the south and even the right to appoint or participate in the appointment of the commander, setting up radar installations and the like. What position will Lebanon take on this plane?

[Answer] I explained before when I criticized the 17 May agreement that this agreement infringed on Lebanon's sovereignty. The present Lebanese military delegation must pay attention to these things and refuse them completely. And here I must explain the following. The 1949 peace agreement

occurred between two belligerent countries and the security arrangements were balanced and parallel. There were two equal security zones, one in Lebanon and one in Israel. The number of troops in these two zones was defined, and these troops were equal in terms of numbers, equipment and method of operation. There was a truce committee from the two sides, working under the same conditions to observe the implementation of the truce in the two security zones. The security arrangements stipulated in the 17 May agreement, on the other hand, eliminated the security zone in Israel and permitted Israel to mobilize troops at its border whenever and as much as it wished. In addition, this agreement tripled the size of the security zone in Lebanon and placed conditions on the presence of regular Lebanese troops there. It also permitted Israel to supervise this security zone and enter it whenever and however it wanted. That means, frankly, that the entire south and a part of al-Biqa' came under Israeli occupation without Israeli forces being exposed to any attacks by the Lebanese national resistance, and without sustaining any human or material losses. This is why the agreement encroached on Lebanon's rights, in addition to threatening Syria's security.

The goal of the ill-fated agreement was to give the Israeli army control over the Lebanese army and to extend Israel's domination and supremacy over Lebanon, whereas the goal of the truce [of 1949] was to separate the Lebanese and Israeli armies. This is why the Lebanese military delegation must now take note of all these things and demand that the security zone in Israel remain, and that the number of Israeli troops stationed there and their mode of operation be defined. In short, the truce must go back to the way it was, taking into consideration the developments that have occurred from 1949 until now. The details will be worked out in the course of the negotiations. In addition, it is not permitted to reveal the intention of the Lebanese negotiator or his many cards, in order to allow some maneuvering during the negotiations. Here we see that in spite of all the instructions that will be given to the Lebanese delegation by the government, the personality and competence of the delegation still has a great deal of room to make the negotiations succeed.

Conditions for the Negotiations.

[Question] What do you think of Lebanon's demand to freeze the negotiations in protest against Israeli practices?

[Answer] When military negotiations are conducted in order to reach a truce, there are two positions: Either the two sides remain hostile and conduct military actions during the negotiations, or they agree to stop those actions. With respect to the two options, we ask ourselves: Have Lebanon and Israel agreed to cease hostile actions between them? In this case, Israel is not allowed to conduct arbitrary operations as it has done, and the resistance is not allowed to continue its effort against the occupation forces and the situation must be frozen as it is pending the results of the negotiations. If the two sides do not agree to freeze military actions, then each side is free to conduct actions that it sees fit, and to conclude the negotiations in this climate. But in my opinion,

the negotiations by themselves cannot bring about an Israeli withdrawal from Lebanon, just as the heroic actions of the resistance cannot bring about an Israeli withdrawal without negotiations. The solution is for the resistance to continue in its effort against Israel while continuing the negotiation process. It is from this standpoint that I view the detention of officials of the Amal Movement and the freezing of the negotiations.

Lahhud added: "With all modesty and no hard feelings, it was Fu'ad Lahhud who fought Israel in 1948 against orders. For what I did then I was awarded, along with my battalion, the War Medal with laurels) because I was victorious in my battle against the Israeli Army, but I was punished because I disobeyed orders. I am perhaps the only person in Lebanon, or among the few who fought Israel and still hold positions of responsibility. If the solution to evacuating Israel from Lebanon were strictly a military one, then I would be ready to join the ranks of the national resistance and fight Israel as I fought it in 1948. The different kinds of issues should not be approached with emotionalism and the notion of outbidding each other. We should rather be guided by logic, convention and a positive attitude.

12727

CSO: 4404/178

LEBANON

POSSIBILITY OF SYRIAN-PHALANGIST RAPPROCHEMENT EXAMINED

Beirut AL-NAHAR AL-'ARABI WA AL-DUWALI in Arabic No 397, 10-16 Dec 84 p 15

[Article by Nawfal Daww: "New Phase in Dealing with the Lebanese Situation: Toward the Rise of Alliances That Used To Be Unthinkable; Syrian-Phalangist Rapprochement, While Damascus Is Still Dealing with the Junblatt Refusal"]

[Text] Responsible political sources believe that the current security plan to deploy the Lebanese army along the coast and in al-Kharrub region, whether it is implemented or not, will take Lebanon and the local and regional players in its arena into a new phase of dealing with the situation.

The political and military equilibrium in effect since the partial Israeli withdrawal from the mountain in 1983 is now a candidate for a radical change that would be incorporated into the framework of the continual contention between Syrian and Israelis policies in Lebanon.

If it is sure that Syria will bring all its political and moral weight to bear to pressure opponents of the security plan to carry it out, it is just as sure that the Israeli side will bring all its weight to bear and exert every pressure to make the aforementioned plan fail. It is not unlikely that the new positions toward the current projects will lead to the rise of new alliances of a kind that until very recently would have been considered to be unthinkable among the Lebanese factions.

In the case of the Syrian position toward Lebanese security, which has become well-known, obstacles still impede the translation of hopes into reality, even though at the present time the Lebanese government, the Lebanese Forces and the Amal Movement support security plans involving the deployment of the Lebanese army along the coastal road and in al-Kharrub region. Meanwhile, the Israeli position is to try to prevent any relaxation under Syrian auspices in the absence of an agreement between Damascus and Tel Aviv concerning Lebanon. This is what Israeli officials have been openly calling for recently in successive statements.

While waiting for the results of diplomatic mediations in this context, the situation continues to be a candidate for a series of changes and contentions summarized by informed sources as follows:

1. Undermining of the relationship between the Amal movement, represented by its leader Nabih Birri on the one hand, and the Progressive Socialist Party represented by its leader, Minister Walid Junblatt on the other hand. The fear is that the political disparity in point of view would result in an armed struggle that would be in the interest of neither side.

2. An increasingly difficult situation for Minister Junblatt because of his reservations about a security plan that would provide an entryway for a political solution that would be adopted by and maintained by Syria. What perhaps compounds his difficulties is that, intentionally or not, he is serving Israeli goals, which are completely opposed to Syrian intentions, which might put him in direct confrontation with Damascus.

3. Israeli military and security pressures on the Lebanese Forces in al-Kharrub region to force them to retract their decision to support the security plan and the deployment of the army in that region. Opposed to this is Syrian pressure on the Druze. Responsible sources do not think it unlikely that it could reach the point of military engagement if the [Progressive] Socialists insist on torpedoing the new deployment plan.

4. A Syrian-Phalangist rapprochement with the blessing of President Amin al-Jumayyil and its attempt to bridge the gulf that is the legacy of past years. A number of officials believe that these matters have entered a public phase. This forced the Lebanese state in the middle of last week to shift the focus of its local efforts and contacts from trying to eliminate the obstacles and hindrances to its security in the south toward trying to preserve previous security gains in Beirut after the appearance of indications threatening a breakdown in security starting in al-Kharrub region, the ramifications of which would involve the rest of the areas in the mountain, and even reach Beirut itself.

In the face of this situation, Lebanon returns once more to getting involved in a game in which it holds only a few of the cards, especially since a number of local factions are putting their cards in the hands of regional elements that are trying to carry out their interests and goals at the expense of Lebanon. Meanwhile, the future is still surrounded by uncertainty, while the same uncertainty continues to cover the al-Naqurah negotiations, which have entered a turbulent phase, waiting for the crystallization of the political steps or military developments that would give a push to the wheel of the crisis, which can now be described as difficult.

It is in this climate that American envoy Richard Murphy made his trip, at a time when it seemed impossible to break the present balance between Syria and Israel, given that it starts with the internal Israeli situation, both politically and economically, and ends with the international agreement between Moscow and Washington and with a series of local and regional considerations. Discussions must center on convincing Israel to stop obstructing by stopping the maneuvering in al-Naqurah and preventing it from exerting pressure in the region, while Syria takes it upon itself to deal with the refusal of Minister Junblatt and the removal of local obstacles.

LEBANON

CENTRAL BANK PAINTS GRIM PICTURE OF LEBANESE ECONOMY

Beirut AN-NAHAR ARAB REPORT & MEMO in English 21 Jan 85 pp 3-7

[Article by Dr Elias Baroudi]

[Text]

A report submitted recently by the Bank of Lebanon (the central bank) to the President of Lebanon and the Council of Ministers outlines the economic difficulties faced by the Lebanese economy in 1984 and paints a grim picture of the future if current trends continue and if drastic corrective action is not taken very soon. The report covers the general economic situation in 1984, money and finance, public finance and the public debt, and the balance of payments. An outline of its main findings and of its conclusions and important policy recommendations is presented below.

The Economic Situation in 1984

The salient feature of 1984 was the sharp decline in economic activity which started in the first quarter of the year and was only slightly relieved in the third quarter. Overall, and in the absence of national income statistics, the Bank of Lebanon estimates that Lebanon's real GNP in 1984 reached its lowest level since the start of fighting in the country in 1975.

Available data show that Lebanon's real GDP and real per-capita GDP have declined since 1975. GDP at constant 1966 prices dropped from LL6.019 billion in 1974 to LL3.634 billion in 1980, while real per capita GDP dropped from LL2,205 to LL1,146 during the same period.

The economic recession was all pervading in that it covered all sectors of the economy and all regions. Its implications were a fall in per capita income and a sharp rise in the rate of unemployment. The causes of the recession as listed in the report are now familiar and include first and foremost the adverse political and security situations which have shaken confidence in the economy and forced a reduction in

aggregate demand and in production, the deterioration of the infrastructure, the fall in productivity because of the slowdown in investment in new technology, and the sharp drop in remittances from Lebanese working abroad.

Generally, the report points out that 1984 was a year in which Lebanon finally came full-face against the host of economic dislocations and problems which have accumulated over the past nearly 10 years of fighting and instability. Levels of production and productivity were no longer sufficient to maintain previous standards of living and there were signs of an accelerating impoverishment which was made worse by the sharp rise in the rate of inflation to around 30 per cent. This latter development was due to the worsening budget deficit and the rapid growth in the public debt, as well as the depreciation of the Lebanese pound, particularly that the bulk of consumption requirements is imported.

MONETARY INDICATORS 1982-1984

(LL Million)

	End 1982	End 1983	End Nov. 1984
1. Currency in circulation	5,582	6,958	6,842
2. Deposits in Lebanese pounds	32,152	41,129	47,057
3. Deposits in foreign currencies	13,287	16,841	20,855
4. Total deposits	45,439	57,970	67,912
5. Money supply M1	11,070	12,845	12,917
6. Money supply M2	48,557	61,620	70,594
7. Bank loans to private sector	25,729	33,604	41,374
8. Bank loans to public sector	11,049	14,712	15,562
9. Total bank loans	36,778	48,316	56,937

10. Interest rate: creditor	9.8	8.9	
debtor	16.7	14.0	
11. Exchange rate LL/\$	3.81	5.49	7.87

The report argues that the reversal of this trend of impoverishment cannot be achieved solely by means of administrative measures or monetary policies but requires an improvement in the political climate and the security situation in order to improve the expectations of resident and non-resident Lebanese and hence to encourage investment to raise productivity.

In this respect, the report points out that the imposition of cost of living indexed wage and salary increases in the absence of any rise in productivity (as was done in 1983 and 1984) has contributed to the inflationary spiral and has encouraged employers to turn increasingly to foreign labour, thus exacerbating the unemployment problem and widening the balance of payments' deficit.

Money and Finance

Money supply broadly defined [Currency in circulation + demand deposits + resident time deposits in Lebanese pounds + resident deposits in foreign currencies] increased by around 15 per cent from the beginning of 1984 up to the end of November. This was less than the nearly 30 percent increase recorded in 1983, but was still excessive in view of the economic recession which prevailed during the year and the general drop in production and productivity.

The main factors influencing the money supply are the external assets of the banking system and bank loans to the private and public sectors. In 1984, the growth in the money supply was primarily due to the increase in loans to the public sector whereas the drop in Lebanon's external assets checked this growth to some extent.

The total of government borrowing from the Bank of Lebanon increased from LL5.31bn at the end of 1983 to LL11.32bn by the end of 1984, or by around 113 per cent. At the end of 1982, such borrowing amounted to LL1.75bn only. Public sector borrowing from commercial banks through the issue of treasury bills also increased by around LL3bn during 1984.

FINANCIAL INDICATORS 1982-1984

	(LL Million)		
	End 1982	End 1983	End 1984
1. Public sector borrowing from Bank of Lebanon	1,752	5,307	11,321
2. Treasury bills	12,278	15,856	19,131
3. Internal public debt (1+2)	14,030	21,163	30,452
4. Budget deficit	6,382	7,953	9,180
5. Interest rate on Treasury bills			
Three-month	10.26%	9.99%	16.12%
Six-month	11.08%	10.80%	16.80%
One-year	—	12.36%	18.34%

As for commercial bank loans to the private sector, these increased by around 24 per cent from the end of 1983 up to end-November, 1984, and this in spite of the recession and the prudent lending policy reportedly followed by many banks. This relatively large growth in lending to the private sector is due in part to the revolving or renewal of loans granted in previous years and the accumulation of interest payments on such loans.

The Bank of Lebanon report, however, also points out that the practice of lending against deposits in foreign currencies for speculative purposes was widely followed and contributed to the growth in loans to the private sector. With production in the economy being limited by the unfavourable political and security situations, the Bank of Lebanon tried to follow a tight monetary policy in 1984 in an effort to avoid the adverse effects of a rapid growth in the money supply on the rate of inflation and the exchange value of the pound. This policy, however, was thwarted to some extent by two basic obstacles, namely the rapid growth in the budget deficit and the public debt and the fear that a zealous monetary contraction would place excessive strains on the banking system and would deepen the recession by pushing up interest rates sharply. The banking system faced increasing strains in 1984 which were the result of the general economic situation in the country rather than mismanagement.

In spite of the careful and conservative credit policy followed by most banks, the quality or credit standing of loans advanced to the private sector declined because of the difficulties faced by industrial, commercial and other establishments and enterprises. The total value of Treasury bills held by banks increased to 17.85 per cent of the consolidated balance sheet of the banking system at the end of the third quarter of 1984, as compared to 7.64 per cent

at the end of 1981. The report considers this a positive development in itself in that it has improved the liquidity of the banking system. By the end of 1984, however, there were indications of a growing reluctance on the part of commercial banks to subscribe to Treasury bills at prevailing interest rates (see Arab Report and Memo V.8 no.32, December 17, 1984, p.6).

Public Finance

The actual budget deficit in 1984 is estimated at LL10bn, as compared to around LL7bn in 1982 and LL8bn in 1983. The 1984 deficit, which was financed largely by borrowing from the central bank, amounted to more than one-third of Lebanon's estimated GNP in 1984, this proportion being one of the highest in the world. As a result, the accumulated public debt increased to LL30.4bn at the end of 1983, as compared to LL14bn at the end of 1982 and LL4.4bn at the end of 1981. These figures highlight the very difficult situation of state finances whose implications for the economy are quite serious outlined and analysed by the report as follows:

- a. The rise in the proportion of government spending to GNP means a corresponding contraction in the role of the private sector in the Lebanese economy which could in turn lead to the loss of the economy's traditional flexibility and resilience.
- b. To finance the budget deficit and to service the public debt the government has resorted to borrowing from commercial banks and the Bank of Lebanon.
The result was an increase in bank credit to the economy without a corresponding growth in productivity since the bulk of government expenditure was of the recurrent type. This has had an obvious inflationary effect and has contributed to the depreciation of the Lebanese pound.
- c. The growth in the budget deficit has also had an indirect negative effect on the private sector in that the rise in the value of Treasury bills in bank portfolios was at the expense of credit to the private sector.
- d. The continued recourse to borrowing from the Bank of Lebanon to finance the budget deficit is a particularly dangerous policy since it leads to an increase in the money supply and hence contributes to the inflationary spiral.

While dropping from \$1.33bn in 1983 to \$763mn in 1984, the foreign exchange component of govern-

ment spending placed an additional strain on the Lebanese pound and contributed to the decline in the Bank of Lebanon's external assets. Nearly 80 per cent of the \$763mn spent in 1984 was used to foot Lebanon's fuel import bill, 7 per cent was used to buy grains and nearly 7.5 per cent was spent on the purchase of electricity-generating equipment and telephone and other communications installations and equipment.

The report stresses that in view of the ailing situation of its economy, there is an urgent need to rationalise energy consumption in Lebanon and to cut such consumption as much as possible, in common with other energy-importing countries.

The Balance of Payments

Lebanon's balance of payments, which was always in surplus up to 1982, sustained a deficit of \$930mn in 1982 and a much larger deficit of \$1.4bn in 1984. The 1984 deficit was due to the traditionally large deficit on current account coupled with capital outflows and a further decline in remittances from Lebanese nationals working abroad. In 1983 the deficit was mainly due to a worsening of the current account surplus because of the sharp increase in public sector imports as well as the fall in remittances and capital outflows.

The worsening balance of payments position, the economic recession, the rising public debt and the general decline of confidence in the Lebanese economy were all factors which contributed to the rapid depreciation of the Lebanese pound from LL5.49 to the dollar at the end of 1983 to LL8.89 at the end of 1984 or by nearly 62 per cent. Part of this depreciation was also due to the strengthening of the US dollar on world markets.

In this context the Bank of Lebanon tried in 1984 to continue its intervention in the market to stabilise the exchange value of the pound, but was not successful as in previous years. The bank intervened as a seller of foreign exchange in January and February when the pound was depreciating and as a buyer in March and April when the pound followed an appreciating trend. Starting in May the bank became a net seller of foreign exchange but was still unable to halt the downward slide of the pound, even though the total amount of foreign exchange employed for this purpose reached \$520mn of which \$200mn were placed on the market in the month of October alone.

In all, the Bank of Lebanon's holdings of foreign exchange dropped by \$1200mn in 1984, as in addition to the \$520mn used in currency support operations the Bank had to provide the public sector with \$763mn to meet its foreign exchange requirements. By the end of the year the Bank's foreign exchange holdings reached a low of \$620mn, thus prompting the International Monetary Fund to sound the alarm bells and to advise the Bank to stop providing the public sector's foreign exchange requirements from its own reserves.

In any case the Bank of Lebanon's report points out that the decline in the Bank's foreign exchange reserves means that it is no longer possible to engage in support operations to maintain the exchange value of the Lebanese pound at a rate different from the one dictated by market forces. In addition, it is now imperative that the public sector purchase its foreign exchange requirements on the domestic market even though this may lead to a further depreciation of the Lebanese pound. The public sector's foreign exchange requirements now average around \$64mn a month, and thus could eat up the Bank of Lebanon's foreign exchange reserves in less than one year.

EXTERNAL ASSETS AND THE BALANCE OF PAYMENTS

	(LL Million)		
	End 1982	End 1983	End Nov 198
Net external assets (LL million)			
— Bank of Lebanon	11,354	12,464	8,861
— Commercial banks	7,391	9,229	10,804
— Total	18,745	21,693	19,485
Balance of payments' position			
Surplus (+) Deficit (-) (\$ million)	+ 361	- 933	- 1,475

The report considers the possibility of external borrowing to supplement the Bank of Lebanon's foreign exchange reserves, particularly that the measures taken in 1984 to limit speculation against the Lebanese pound cannot be expected to bring about a basic improvement in its exchange value in the face of a worsening balance of payment position. However, the recourse to external borrowing is ruled out

for a number of reasons. For one thing, Lebanon's presently limited foreign debt is one of the few remaining strong points in its economy. For another, any increase in Lebanon's ability to obtain foreign loans is limited by its inability to provide the proper guarantees, particularly in view of the fall in its foreign exchange reserves and the prevailing political instability and insecurity.

Policy Recommendations

Monetary policy and the role of monetary authorities:

With the economic recession and the worsening financial situation being due in large part to the political and security situation in the country and to poor expectations about the future, monetary policy tools cannot be effective in bringing about an improvement in the current economic situation. Rather, the efforts of the monetary authorities should be concentrated on controlling and limiting the growth in the money supply, on maintaining Lebanon's remaining foreign exchange reserves and on monitoring the activities of the banking sector closely. Controlling the growth of the money supply may require additional restrictions on commercial banks, and presupposes a reduction in government expenditure and in the public deficit.

A tight monetary policy may lead to a rise in nominal interest rates but this need not lead to a rise in real interest rates if the rate of inflation remains at its presently high level or increases further. The closer monitoring of the banking system is made necessary by the increasing risks inherent in bank lending because of the prevailing economic difficulties as well as the general decline in the quality of bank personnel.

Austerity measures:

An austerity effort is essential on the part of both the government and the public. Insofar as the government is concerned the aim should be to reduce the budget deficit and the public debt gradually and this through the following measures:

- (i) The rationalisation and prioritisation of government expenditure and the elimination of all unnecessary spending. Special emphasis should be given to controlling the rise in recurrent expenditure and especially the salaries of government employees, since salary levels are very often not commensurate with productivity.
- (ii) A review of the domestic prices of imports paid for in foreign exchange by the public sector, particularly fuels and wheat. Fuel imports account for 80 per cent of government expenditure in foreign exchange and Lebanon's official foreign

exchange reserves are now barely sufficient to meet the fuel import bill for seven months. To reduce consumption, subsidies must be removed and user prices must reflect the real cost of fuel.

- (iii) The removal of subsidies must be supported by a public campaign to point to the long term dangers of the continued subsidisation of various commodities for the Lebanese economy and the Lebanese pound.
- (iv) The creation of new taxes and especially taxes on luxuries in order to reduce the current dependence on customs duties for the bulk of government revenue.
- (v) Special efforts should be made to obtain grants in money or in kind (fuel, food products) and talks must be started soon to renegotiate the repayment terms of external loans concluded by the government, especially in 1983.
- (vi) The development of new sources of foreign exchange as, for example, bonds denominated in Lebanese pounds which may be sold to Lebanese emigrants.

In so far as the general public is concerned the austerity effort implies and requires a better assessment and collection of income taxes and the avoidance of cost-of-living-indexed wage and salary increases since such increases would not ultimately result in any improvement in the standard of living if not accompanied by a rise in productivity.

Measures to reactivate the economy:

The report argues that within the prevailing political and security situations expenditure on public works projects and reconstruction may not be productive

and would increase the rate of inflation particularly that works completed may be destroyed again by the continuing fighting in many parts of Lebanon. Nonetheless, the report recommends a series of policy measures which may help the private sector and the public face-up to the economic recession. These include:

- (i) Providing the necessary financing to allow private sector establishments to upgrade their facilities and for other productive projects. In view of the general reluctance of commercial banks to increase their lending to the private sector, this may be done through measures to reactivate the "specialised" medium- and long-term credit banks and increase funds at their disposal.
- (ii) Measures to alleviate the housing problem and the laying down of a new housing policy. Recourse may be made to credit from the private sector to finance housing projects.
- (ii) Efforts must be made to remove all obstacles in the face of the free flow of manpower in various parts of the country to reduce the level of unemployment.
- (iii) A study must also be made of possible controls on the importation of foreign labour into Lebanon with a view to reducing the size of the expatriate labour force.
- (iv) A whole series of measures must be taken to improve the standard of living while avoiding any adverse effects on the inflation rate or the balance of payments. These include an improvement in public transport and an energy and industrial policy.
- (v) A review of the reconstruction plan with the aim of scaling it down in view of the shortage of funds for this purpose.

LEBANON

ORTHODOX PRELATE VIEWS MUSLIM DEMANDS, INTERESTS

Beirut AL-NAHAR AL-'ARABI WA AL-DUWALI in Arabic No 401, 7-13 Jan 85 pp 8-11

[Interview with Ignatius IV Hazim, Greek Orthodox Patriarch of Antioch and the Orient, by Jibram Tuwayni and Nabil Barakis: "All Those Living in the Middle East Are Guests of Christians Since the 7th Century. I Believe the Demand for an Islamic Republic Does Not Include All Lebanese Muslims"; date and place not specified]

[Text] Ignatius IV Hazim, Greek Orthodox Patriarch of Antioch and All the Orient, is an expert in Lebanese affairs. Listening to him brings serenity, and asking more of him, even if it seemed like putting him on the spot at times, is to reach out for more knowledge. An interview with him has been a tradition of this magazine since he sat in the patriarchate seat: a tradition, a stopping place and a blessing.

Because this is a time of great worry and greater fear, the patriarch's words take on added importance. He is aware of the Christian fears, but he is also aware, in his monotheistic spirit and his universal vision, of the fears of man, every man, without discrimination or division. Therefore, he knows what soothes and reassures. About his South American tour and the conditions of the Orthodox community there and in Lebanon and its relations with the Lebanese Government, which were said to be strained; about the perils threatening the Christians in Lebanon as a result of fanatic appeals; and about his reply to the attacks on the pope and many, many other things. The Orthodox patriarch talked to us with the candor of a valiant pastor and the love of a true Christian. Here is the interview:

[Question] You made a tour of Latin America during which you visited the Orthodox community there. What was the aim of the visit, what were its marked results and what is your assessment of it?

[Answer] The truth is that by virtue of my being responsible in the Antiochan See for the Orthodox outside the patriarchate dioceses, I felt it necessary to act on the basis of the prevailing reality there. I was wondering how to establish relations between the two parts of the Antiochan See here and in Latin America, and on what basis, and what things can be retained, particularly since I had heard of attempts to hold conferences for emigrants that left me unconvinced of their ability to provide an organic link with the Antiochan See. That was the reason for the visit, which clarified several matters.

First, it appears that emigration had an older and more extensive history than I had imagined. My perception was not clear enough. From the time of my arrival, I was surprised by a tremendous density of immigrant population from our area. I remember the first thing I heard in a speech delivered when I was in San Paolo, the first leg of my tour, was that there was an Orthodox kingdom of 6 million people in San Paolo and the suburbs alone. Therefore, I tried to acquaint myself with the actual situation and verify the various matters as much as possible. I also visited some clubs and became aware that my knowledge of history was inadequate concerning the reasons for the emigration of such a large number of people. My first reaction in Sao Paolo was to examine the Christian geography in the area. I became aware of the history of these areas. We know that the Constantinople patriarchate became a symbolic one with no one around it. Consequently, the only thing left in Asia Minor of the churches mentioned by St Paul in his epistles and the 7 churches mentioned in St John's vision was some relics which tourists visit. The same thing goes for the Iskanderun See. Following the departure of the Greeks, only a few thousand Orthodox Arabs were left. I asked there about the churches mentioned in history: Where is the Carthage Council, where is St Augustus' See? I know there is nothing left of these places. Likewise, our see in Jerusalem has nothing left but a very small congregation because the Jews helped deport many of them. Here I say I was surprised by the number of Palestinian Orthodox in Latin America, especially in Brazil. I felt a call to re-read history from this standpoint to ascertain the Antiochan See's places within the orthodox framework in the five original patriarchates. Take away Rome and four are left. Every single orthodox I met in Latin America was of Arab descent. This means they are all from the Antiochan See or were under its banner. I am responsible for all Arabic-speaking orthodox here and abroad. Therefore, we feel that the church did not plan adequately. I noticed everywhere that the church did not send priests with the emigrants, so the secular element took precedence. Hence, the establishments that interest the people, from the standpoint of entertainment, such as clubs, came into being, concentrating on the basic areas such as the building of hospitals and nursing homes. What caught my attention was that very few worked for the coming generations, and had the church had a presence there, it would have drawn attention to this matter.

When I asked about schools, I was told that there was one school that taught Arabic, but it was closed because the new generations cared only about their new country. In the history of the church, before the schism in which we were only followers, the great schism of the 11th century, Latin America was unknown and undiscovered and did not participate in any dialogue or discussion about what is East and what is West. This means that it has a Latin orthodoxy and a personality that does not understand, like the orthodoxy here, that it is non-Catholic and vice-versa. It is a purely Latin church that can accept the other ecclesiastic presence as a supplement to its spiritualism and not as its rival. Through these givens, I imagined we could do something for our children there.

[Question] In what language will you conduct mass in Latin America's Orthodox churches?

[Answer] Undoubtedly in the language they speak. Likewise, third and fourth generation children only know the language they speak. When they are told about names here, they may recognize them only as names.

[Question] That means they have adopted their prayers to their Latin language?

[Answer] That is correct. They have translated them into Latin and have put it to Latin music. In other words, they created a Latin personality for the Orthodox content.

[Question] But they are totally under the Antiochan church.

[Answer] Yes, and they want to strengthen this affiliation.

Return to Lebanon

[Question] Was your visit to Lebanon planned a long time ago or did you decide during your tour in Latin America to celebrate the feast in Lebanon?

[Answer] The fact is that I did not decide to spend the feast in Lebanon, but thought I had to return to apprise the Holy Synod of the situation so as to issue its directives, as is the custom in the Antiochan See. When I met with a number of the orthodox community in France, I noticed severe restlessness in their midst, rightly or not, and I felt that the members of the community had a right to meet with me to explain their situation. I actually proposed that the synod be held in Lebanon in order to stay there to assume the responsibilities toward our people.

[Question] When you returned to Lebanon, you talked about the rights of the orthodox community. There was talk about the kind of problems in the relations between the Orthodox community and the Maronite community and the rule in Lebanon. What did you mean by the rights of the Orthodox community and how do you depict your relations with the rest of the Christian communities in Lebanon?

[Answer] The first observation is that there is discontent and that our rights are oppressed and our representation is not what it should be. I came here embracing everything I had heard, and I said to the people: I came here to carry your voice. I had heard about pastoral pressures in some areas by other sects and some rumors that our position is negative with regard to the other Christian sects. When I was in al-Balmand, I used to say that our primary concerns were our good relations with all the other sects. Likewise, it is important to preserve our rights on the basis that our rights are the means of offering our services to Lebanon. We in Lebanon are unreservedly Lebanese, which is very normal. During my presence in Beirut, I asked to examine our status on the level of job distribution and so forth. Following the discussions and the study of the official distribution, I found that some jobs that should have gone to the orthodox did not.

[Question] For example?

[Answer] Forst of all, which is quite apparent, on the ministerial level. The deputy premier (an Orthodox position) does not exist, nor even [ministers for] the ministries assigned to us, most important of which is the Ministry of the Interior, which was given to a person who could not for well-known reasons carry on his duties and, consequently, clearly manifest the Orthodox presence so that the people could feel it. So the portfolio was taken away from us.

[Question] What is in charge of deciding on the Orthodox representatives in these positions?

[Answer] We do not have an agency that decides on representation.

[Question] We do not have a religious council or a supreme Orthodox council?

[Answer] The religious council always assumes a local character and cannot adopt resolutions in the name of the sect all over Lebanon. The supreme council, at this particular time, what does it mean? We have not had the time to find an agency to talk [for us] and to obligate every Orthodox because the Orthodox are scattered in many places and many situations. It is neither reasonable nor realistic, for instance, to be in East Beirut and decide for those in West Beirut, or to be in West Beirut and decide for those in the south. We have one general thing, which is the Orthodox Conference, comprised of representatives from all dioceses in Syria, Lebanon and even America. How much it can actually do, I do not know. Most likely it will not be able to fulfill its responsibilities. Even the Antiochan See, which is a spiritual unit with a political scope, is located in countries whose policies, systems and orientations may differ, something we should take into account.

[Question] Do you sense any restlessness or sense of loss within the [Orthodox] sect in Lebanon?

[Answer] Restlessness is only on the informational level. On the ministerial level, for example, talk is limited to the minister of economy, Victor Qasir, whom I respect and esteem, but in the flood of events, we needed Dr 'Abdallah al-Rasi by his side to create a more Orthodox situation.

[Question] What are the outcome of your meeting with the Orthodox leaders and deputies, and your meetings with the Orthodox community in Lebanon? What is the topic of your future action for the sake of the sect in Lebanon?

[Answer] We have to pursue our causes by means of direct scientific contacts.

[Question] Will a committee or supreme body be formed?

[Answer] I believe from the political standpoint that those we are consulting with are our advisors whom we welcome and respect. In other fields, we must formulate a policy that is not strange to our spirituality.

[Question] Does that mean that there is no intention to create a supreme Orthodox body to adopt or take positions or to select? And will things remain within the scope of consultations with the leaders and the people?

[Answer] These things occur roughly in the capital, Beirut, which has its own bishop. There are also other bishops with their own advisory bodies that were announced in Tripoli, Zahlah and Mount Lebanon. We want to have an ecclesiastic character. We are, above all, a church.

Harassment and Displacement

[Question] What about politics and daily life?

[Answer] Religion is practiced daily by everyone. I want people with morals representing a heritage we have carried for so long. We should help one another so as to create cooperation between the ecclesiastic and the secular elements. We want mutual consciousness-raising. The thing is not to be strangers to one another.

[Question] Will the Orthodox Church put its hand on everything that concerns the Orthodox in Lebanon?

[Answer] I am sure this is one of our duties.

[Question] The map of the Orthodox presence shows that the Orthodox people are found in areas subjected to persecution and harassments. What have the disgruntled done to face such persecution before looking into the matter of gains and jobs? For example, Tripoli, West Beirut, the Kurah, the South, and the Mountain [i.e., Mt Lebanon]. What have the disgruntled done to deal with the problem of the displaced, like the mountain Orthodox for instance?

[Answer] The fact is that the word disgruntled includes more than the example you gave. There is talk about these conditions and the fact is that each district in Lebanon has certain givens that are different from the others. In our meetings, we tried to determine what moves could be made through the people in the areas. Included in these moves was the problem of the displaced which was discussed in the framework of available capabilities. We do not have a militia and guns to get our word through. What we tried to do was to try to convince those who caused the displacement to stop it because it is undesirable. And, because we are a sect and a church with no ties to foreign authorities, we found the least we can do is to depend on one another to preserve the dignity of the displaced. A committee was formed and it has initiated contacts. We took into account housing and children through reports prepared on this subject and we sought to meet 100 percent of the needs through the consensus of all the leaders. This is the line on the basis of which we are acting.

Christians in Lebanon

[Question] How do you describe the Christian reality in Lebanon, in other words, the displacement of the Christians, not just the Orthodox? Also, the

civil and sectarian war which is tearing Lebanon apart? What is your diagnosis of this situation?

[Answer] My description of the Christians in Lebanon is that they have never had it so good because the way to look at Lebanon and the Lebanese as a whole is that Lebanon is for all Lebanese. I believe the outlook is being crystallized more and more, and we as Christians do not by nature allow ourselves to have negative ideas regarding our country. We insist on embracing everything and every area so as not to act like a foreigner who does not care about the country's unity. We, too, are owners of the house.

[Question] We are accused of not being owners of the house, mostly by the extremists.

[Answer] I think this is not true. We are owners of the house 100 percent, and we cannot talk to anyone except on the basis that we are all owners 100 percent. One must condemn anyone who acts as though he does not care about this house, tearing it apart, disintegrating it and scattering its people and persisting in their kidnapping and murder. All these things are absolutely rejected, but we cannot impose our opinion on anyone but ourselves, and it is our duty to do so. We hope this is the sound logic, the true national logic.

[Question] How do you compare the Christian situation in Lebanon today with the situation of Christians in history?

[Answer] This is a two-sided question:

--A study of Christianity in the East, which comprises many categories known to the scholars, and the conditions of Christians in Lebanon.

We all know that Lebanon is a country known for its peculiarities and the other things are an extension of this situation. There are no "walls" between the people. Undoubtedly, Lebanon concerns us and we wish the Lebanese to be 900 million. We begrudge one grain of Lebanese soil or one Lebanese person.

[Question] Why has Christianity failed in the East?

[Answer] They are not at ease, particularly in the Ottoman era, so people had to emigrate. They endured many hardships!

[Question] Has the harassment stopped or is it still going on?

[Answer] I think this world in general is a world of harassment despite the talk about freedom, particularly where they preach freedom. Freedom is for the "winner," and "oppressor," and the "strong." This matter must be discussed. This does not mean I reject democracies. On the contrary, I believe they are the best kind of rule and I do not mean to imply that I reject freedom.

[Question] Can we consider the Iranian or Shiite phenomenon, in the wake of the shah's downfall, as part of the new harassments?

[Answer] Here in Lebanon we hear voices. The present situation consists of pressures, which is evident, especially in talking about certain topics and demands.

[Question] For example?

[Answer] Let us talk objectively: the voices calling on the Christians to embrace Christ's morality. This is fine, but what is currently intended by such talk is something else. The demand to teach the Islamic religion is a rightful one, just as I do not accept that Christians not study Christian teachings. But, at the same time, we do not support attacks on churches or suppression of holidays.

[Question] There are currents calling for the establishment of an Islamic republic in Lebanon.

[Answer] We believe that such a thing cannot be realized in Lebanon without a consensus of all the Lebanese. Everything should be done unanimously or nothing will be done.

[Question] How do you stand on the demand for an Islamic republic?

[Answer] I believe this demand does not include all Lebanese Muslims.

[Question] You talked about Lebanon's peculiarities, the most marked of which is the freedom of Christian practice.

[Answer] What I mean is that the Christian presence in Lebanon is more tangible than in any other place and it must not be discounted.

Christian Fears

[Question] If the Christians in the Middle East were to be pressured into inventing new political formulas for living freely, would you support such formulas?

[Answer] I think history has illustrated the failure of all such attempts; matters should be discussed seriously and up front. I still believe that the spiritual element in the Middle East is a constant factor in the Middle Eastern element in general. We cannot be blind to this element which is the father of all the offshoots that have sprung up.

[Question] Some say the phase of escaping to politics is over and that the world is living a new phase of going back to religion. But can you protect this new phase, particularly under the present conditions?

[Answer] Why should I protect it? I will accept it and scrutinize whatever I accept.

[Question] Do you consider the Christians' position in the Middle East and Lebanon as safe or is it in some kind of danger?

[Answer] There comes a time when many things have to be reconsidered. We do not want the Lebanon of the future to be like the Lebanon of the past, thus going back to the same vicious cycle every now and then.

[Question] Meaning?

[Answer] We do not want problems and constant talk of fear and injustice.

[Question] What formula do you perceive can eliminate fear and injustice?

[Answer] I leave this to the politicians who are working on the constitution and other things. What I care about is the absence of a kind of fear and a kind of injustice and that the ambitious person refrains from saying "I am wronged," and the one who wants an excuse refrains from, "I am afraid."

[Question] The Christian fear is not justified, in your opinion?

[Answer] I think the frightened do not ask me for my opinion. When one is frightened, he is frightened. We must solve this problem.

[Question] Is there a reason for this Christian fear? Is it a sickness or does it have true causes?

[Answer] Let us be fair. I believe we have to fear for some things, such as our spiritualism, our principles and our religion, but we do not have the right to fear for unessential issues.

[Question] What is the minimum?

[Answer] It is the practice of my religion and my belief and the preservation of my personality.

[Question] Is the minimum available to all the Christians in order not to be afraid?

[Answer] No. Some people have been kicked out of their homes very recently. Our interview began with the displaced and the search for them is done within the framework of all sects. Either solve the problem of a country or that of a sect.

[Question] There is a fear that the Lebanese Christians will have the same fate as the rest of the eastern Christians.

[Answer] The fear is obvious and all these matters must be discussed. We must not look at issues from only one side. I do not believe that we alone can talk about Lebanon or legislate for Lebanon in total disregard for the rest of the Lebanese. The radicals who want you to be a Muslim are not all the Muslims. We have among us priests and schools as well who want to make the Muslim a Christian.

[Question] The Christian policy in Lebanon, do you think it is at an offensive or defensive stage?

[Answer] The present policy is sound. We do not wish to attack anyone. The word "defensive" is taken from war. Constitutions and politics do not have anything of the sort. What we hope for is to have offensive and defensive in the framework of the political field. Through negotiations and discussions, everything can be worked out.

All Are Guests in Our Midst

[Question] The displacement process in the mountain has touched all Christians, not just their political parties. Is there an insane or suicidal conspiracy behind this displacement process, and what is its title?

[Answer] I know that this displacement process has hurt us much. It is painful and unjust, whatever its political justifications may be.

[Question] Is it a reaction or a planned conspiracy?

[Answer] I am not familiar enough with this situation. We cannot say to anyone "thank you" for kicking the defenseless out of their homes.

[Question] Why have they not returned to their homes?

[Answer] I do not know. There may be a plan. I am not in favor of a chick leaving its coop.

[Question] If there is a plan that were to persist, where would it lead us?

[Answer] I hope it would not persist and lead to the dismemberment of Lebanon.

[Question] Dismemberment of Lebanon and the disappearance of the Christian presence.

[Answer] The disappearance of Christianity is not that simple. Hundreds of thousands of people cannot be swept away that easily.

[Question] They were swept away in the mountain.

[Answer] This is beyond my imagination. Where will they go? We measure things in their natural, not their extraordinary, framework.

[Question] Sa'id Sha'ban, in one of his sermons in a Beirut mosque, urged the Christians to leave Lebanon. He told them: "Go look for another country." What is your reply as a Lebanese Christian citizen, not as a patriarch?

[Answer] On the other hand, I hear some Muslims of the same standing as Sha'ban or higher say they do not share this view or this tendency.

[Question] Your position, Your Eminence?

[Answer] This is an opinion I do not embrace. I consider myself an original inhabitant of the Middle East and everyone else has been our guest since the 7th century. Christianity shall endure here.

[Question] Your Beatitude, at the luncheon given at the home of Deputy Munir Abu Fadil, which you personally attended and where you met with some of those responsible for the displacement of Christians in the mountains, was anything known about the fate of this tragedy?

[Answer] The subject was brought up for debate. They said the time for solving this problem had not come.

[Question] Did you not ask them what was meant by "time"?

[Answer] I was not in a position to interrogate and the session was short. If one were to tell me "what business is it of yours," what would I have said?

[Question] If a young Christian man told you he had two choices, either leave the country or embrace the Muslim religion to secure his future, what would be your reply?

[Answer] A Christian is always a Christian.

[Question] And if he considered this suicide?

[Answer] Churches are built on martyrs and the world is for the brave, not the cowardly.

[Question] How was your meeting with the president of the republic and where did the sect stand, especially since the Orthodox community has some problems with the state?

[Answer] I think the picture is blown out of proportion for good reasons, including the absence of a ministerial element and also our absence in Geneva and Lausanne. Furthermore, some areas that have their own information media can only see themselves and see things their own way. There are many vacant Orthodox positions that must be filled. During my contacts, I did not sense that anyone is out to exclude the sect. Distribution is done through future planning. Perhaps our own mass media are weak. I believe the first round of appointments will guarantee our share.

[Question] What was the outcome of your meeting with Cardinal Khuraysh?

[Answer] It was after my meeting with His Eminence Jufti Hasan Khalid and Shaykh Muhammad Mahdi Shams-al-Din where I sensed a desire by all the spiritual leaders to meet. Cardinal Khurayshi, as usual, was in agreement with my ideas and suggested a meeting of the secretariat to draw up an agenda. I did not sense any objection by the others.

[Question] From your vantage point as a man of religion, what do you have to say about Walid Junblatt's attack on the Vatican and the leaflets distributed by the Iranian Embassy containing Khomeyni's speech that attacked the pope?

[Answer] We do not support such attacks and do not accept such insolence against that which is sacrosanct. We have high regard for Shaykh Muhammad Abu Shaqrah, as for all spiritual leaders as well. We have become accustomed to hearing much and politicians, whether we are into politics or not, criticize us without fear of reaction on our part. We, thank God, are the scapegoat and no one fears our reactions because our only reply is silence.

[Question] We understand from this that the refugees are not returning to their villages?

[Answer] No one promised me their return.

[Question] Is Lebanon in need of a new formula today to remove the element of fear?

[Answer] I think so. The needs of the Lebanese must be respected and studied to see how true they are.

[Question] What is your message to the rising Christian generations?

[Answer] I believe the day when we do not have a brave, clear, Christian message related to its heritage, its line and its Middle Eastern character and to our manner of expression, we will be losers on all levels. We want our youth to be men. The messenger must be selfless and the message must, above all, be given its worth.

12502

CSO: 4404/195

OMAN

IMPORTS INCREASE 10 PERCENT IN 1984

GF181132 Dubayy KHALEEL TIMES in English 17 Feb 85 p 13

[Excerpt] Muscat--Oman's imports rose 10.3 percent to 949 million riyals last year, from 861 million riyals in 1983, according to the Central Bank of Oman's quarterly bulletin.

The increase, to which food and manufactured goods made the largest contribution, was despite the strength of the Omani rial, which is tied to the dollar.

The rial's trade-weighted value reached a record high at the end of 1984, eight percent above the end of 1983 figure, the bulletin said.

The foreign exchange factor pushed the consumer price index for foodstuffs down to 108.8 from 118.6 in December 1983. The index, based on 1978 equals 100, is the only closely monitored measure of inflation in Oman.

The bulletin, released yesterday, differs from earlier issues in omitting latest statistics for oil production and exports, which provide most of the country's foreign exchange.

Production in the third quarter of 1984 averaged 414,000 barrels a day and industry sources said output probably rose slightly during the last quarter of the year.

M-1 money supply rose 7.1 percent in 1984 to 291 million riyals while M-2 money supply rose 15.9 percent to 809 million riyals, the bulletin added.

Most of the M-2 growth was due to a higher level of time deposits with commercial banks, which rose 23 percent to 371 million riyals.

The same expansion indirectly contributed to a record figure for total assets of commercial banks, which reached 1.22 billion riyals at the end [of] 1984 compared with 1.01 billion a year earlier.

The bank lending ratio, which in effect measures liquidity, was at a two-year low in the last three months of 1984, however, with loans amounting to only 65 percent of deposits.

Jordanian newspapers quoted the Minister of Trade and Industry, Dr Jawad Al Ananai, as saying that the decline in prices in the international market would help reduce the country's imports expenses, which in turn would improve its trade balance.

OMAN

BRIEFS

PLANNING COMMITTEE ESTABLISHED--Sultan Qabus has issued a decree establishing a higher committee for town planning, charged with drawing up a general policy for town planning in light of the development plan, and presenting it to the cabinet, preliminary to its adoption by the sultan. The committee will comprise the deputy prime minister for financial and economic affairs, chairman; the housing minister, deputy chairman; the president of the sultan's court, member; the communications minister, member; the electricity and water minister, member; the post, telegraph, and telephone minister, member; the provincial municipalities minister, member; minister of state and governor of Zafar, member; the director of the Palace Office, member; and a delegate for legal affairs, member. [Summary] [Salalah Domestic Service in Arabic 1600 GMT 24 Feb 85 GF]

EXPORT-IMPORT FIGURES--A report released by the Omani Chamber of Commerce and Industry indicates that the value of Oman's exports of nonoil commodities and reexported commodities rose by 5 percent during 1984. The value of these commodities amounted to 126.6 million Omani riyals against 120.7 million riyals in 1983. The report indicates that Oman's revenues during 1984 rose by 10.2 percent. They amounted to 949.2 million riyals against 860.8 million riyals in 1983. [Excerpts] [Muscat Domestic Service in Arabic 1100 GMT 24 Feb 85 GF]

CSO: 4400/82

SAUDI ARABIA

SAUDI PAPER VIEWS U.S. TIES, FAHD VISIT

PM180801 Jeddah 'UKAZ in Arabic 10 Feb 85 p 7

[Article by Hashim 'Abduh Hashim, chief editor: "The United States and Us"]

[Excerpts] Saudi-U.S. relations derive their strength and solidity from three basic sources:

1. Trust and cooperation based on mutual respect and the desire to preserve the elements of world stability.
2. Joint economic interests.
3. Realization of the dangers of the policy of polarization and containment and the rejection of any form of interference in the affairs of others, of dictating policies, or of pressuring any other party under any circumstances or on any excuse.

Every time major meetings are held between the Saudi and U.S. leaderships the Saudi Arabian Kingdom always stresses these principles. It has sought to establish strong ties on the basis of a sincere desire to seek an easing of tension in the Middle East in particular and in the world in general in an atmosphere of frankness, friendship, and objectivity.

Our American friends have always understood the meaning of this frank and realistic language and respected our "advice," although they have differed from us in views on dealing with many issues.

Despite this difference, which is characteristic of any equal relationship between two friendly parties, Washington has not turned its back on what we have said to it. Indeed, scores of officials have come to our country in order to know our views and exchange consultations with us, sometimes expressing their reservations about those views and at other times putting forward proposals stemming from their interests and their own views of them. We have always asserted to them that the principal problem with the United States is the confusion between its relations with us, the Arabs, and its special relations with Israel.

We believe that the United States could balance its interests with both sides and adopt a stronger and more forceful position, provided that it does

not lose its ability to impose its own views on Israel and does not disregard all considerations in the mistaken belief that maintaining a strong Israel will redouble the Arabs' need for it [as published]--a need that becomes a means of constant pressure for the preservation of its own interests in the area.

We have always drawn attention to this misconception for the following reasons:

First, that total alliance with Israel does away with realistic and logical calculations and prevents the establishment of a balanced U.S. policy in the area.

Second, the constant and ready response to emotional or historical appeals will double the Zionist lobby pressures in the United States and will make U.S. decisions subject to Israeli interests and even Israel's expansionist ambitions not only in this area but also inside the United States itself.

Third, pursuing the policy of open-ended support and backing for Israel diminishes U.S. credibility among its friends and others and so undermines the claim that the United States is the only party capable of bringing pressure on Israel and finally solving the Middle East problem.

Fourth, such absolute support has prevented the United States from expanding and improving its relations with the countries of the area and, in fact, has driven certain parties friendly with Washington to do the following:

1. Seek Soviet arms and aid.
2. Call for an international peace conference to resolve the Palestinian problem in which the Soviet Union will participate, instead of restricting settlement efforts to the United States alone.
3. Doubt U.S. credibility, especially since Washington stood by and watched as Israel invaded Lebanon.
4. Establish new alliances in the area.
5. Pursue a policy of not relying completely on the United States, particularly in the economic field, and seek aid from both East and West as part of the policy of diversifying sources and friends.
6. Offer facilities to other countries while reducing cooperation with the United States, with the aim of rousing U.S. "fears" and draw attention (only) to the wrong aspects of U.S. policy in the area.

We have always told our American friends that their backing for Israel and the minimal political effort they exert as well as their failure to exert any practical pressure against invasion and expansion not only open the gates of the area to the Soviets but also cause a total disruption of the economic and political stands of the countries of the area, which tend to

make them lose their balance and neutrality and leave them at times ready to cooperate with the devil.

It is wrong for the Americans to believe that those countries committed to specific policies toward the influential powers in this world will not seriously consider opening several windows to those powers when they despair of the United States' ever understanding the real situation, revising its stands, or looking at things from the standpoint of its own interests and of its role in preserving world peace and stability.

Although our American friends understand these facts well, they are not doing a lot to prevent fundamental changes from taking place in the area as a result of U.S. miscalculations or the slowness of the U.S. side in taking practical steps, resolving issues, and breaking the deadlock in the area's problems.

His Majesty King Fahd will therefore underline these concepts once again for our American friends and face them with facts which, from the Arab viewpoint, are not in the U.S. interest and only indicate a growing Soviet influence in the area at the expense of the U.S. role, which is continually shrinking in all areas.

The Saudi Arabian Kingdom really does appreciate the value of the Soviet Union as an effective world force; it is aware of its role, appreciates its weight, and respects its presence on the scene. This appreciation and realization, as the American friends know, are based on an objective view of events and realities and a comprehensive and logical appraisal of the role of the big powers in the area.

Looking toward the Soviet Union in search of a solution, in the hope of striking a military balance between the Arab countries and Israel, out of spite against the Americans, or in response to the Soviet Union's desire to play an effective role in the Middle East problem is no longer an unlikely option. President Reagan, probably aware of this fact, has spoken in his talks following his nomination [as published] for a second term about the U.S. desire for dialogue with the Soviets on the Middle East situation. This, however, does not mean a U.S. recognition of the Soviet weight and role in the area but rather an attempt at preventing the improvement of Arab-Soviet relations and at maintaining the status quo.

Although the Soviet Union will be happy with such a step and will not offend U.S. feelings by giving more aid to certain Arab parties or seeking to expand the area of its presence in the region, at the same time it will not abandon those relations because it is aware of the American's new intentions and motives and is anxious to maintain the card of the growing Arab-Soviet relations as a means of further pressure on the United States in order to obtain further advantages.

We are therefore in favor of any settlement, regardless of the party that is exerting pressure to bring it about. But we prefer that settlement to take place within the narrowest possible scope and without the involvement of new parties.

But the United States must understand well that the desire to keep the elements of a solution in its hands does not mean encouraging it to continue with the policy of ignoring the full Arab rights and of partiality toward Israel. It must introduce a radical change in its stands and policies toward the problem during Reagan's second term of office.

The United States believes that it is now more capable than ever of casting doubt on the PLO's ability to solve the problem, allegedly because of the division within the organization. But this is not true, because the legitimate Palestinian leadership is the one responsible for making decisions and because, if the United States shows flexibility in dealing with the PLO directly or through trustworthy parties initially, it will prevent the continuation of that division. The Palestinian people will be in favor of any power that restores their rights. Even the dissidents will not dare to disagree with the restoration of these rights in that manner, even if this were achieved through negotiations with Yasir 'Arafat and his group.

The United States must stop its wrong policy of encouraging Israel to fragment the PLO and foment the spirit of dissent, in the belief that this is the ideal way of doing away with the Palestinian legitimacy which is empowered to decide on the question of a settlement.

What the United States should understand is that Yasir 'Arafat trusts King Fahd's wisdom and his great desire to defend Palestinian rights and [that King Fahd] is strongly against the violation of those rights. Therefore, Fahd's proposals during his visit reflect Saudi stands and policies as much as they reflect mature and responsible Palestinian stands crystallized as a result of wide consultations and the adoption of a realistic course at the new stage.

We are quite confident that the ideas that have developed during the past years have now reached the peak of maturity. So it is meaningless to say that the Arabs must develop their stand and that hinting at the Soviet danger will not drive the United States to bring more pressure to bear on Israel to agree to a settlement acceptable to the Arabs, because this shows a superficial understanding of events and shortsightedness in analyzing the mistakes of past years.

The United States must understand that it has lost a lot in the past and that it must now recover some of what it has lost rather than lose what is left of its friends' trust.

With regard to Lebanon, what is immediately required is to encourage Israel to withdraw from the south and to deal with Lebanon as a truly sovereign state.

Washington must understand that neither the Lebanese, nor the Arabs, nor the Palestinians wish to escalate tension in northern Israel and southern Lebanon.

The U.S. efforts in Lebanon, although substantial and effective, were not fair. The United States reacted to Israel's sensitivities and acted from the belief that it could reach an agreement with Syria that would ensure the security of both Lebanon and Israel. This belief is lacking in objectivity, because Syria is a neighbor of Lebanon and has vital interests there. Lebanon is the principal party concerned with its security and stability, and if the Lebanese agree on something then neither the Saudis, nor the Syrians, nor any other Arab party will object to it.

On the other hand it is wrong to continue to believe that the United States should lessen its interest in the area and should not give priority to it in its policies, stands, and actions, because such disregard would isolate the United States from an area which is important to it.

How can it be said that U.S. indifference to the Iraq-Iran war prevents its expansion? [as published]

As we ask this we realize that a certain strategic objective governs the attitudes of the big powers, namely the destruction of any growing power in the area.

Since Iran's military might has reached an alarming level and is threatening the big powers' interests and since Iraq is also active in this field, the continuation of war between the two countries, in the view of the big powers, serves peace and stability in the area provided that it does not go beyond the two countries' borders.

But the fact is that the war has extended beyond these two countries; it is not only threatening their security but also causes an increased threat to the countries of the area and has caused and still is causing harm to the economies of many world countries.

We in Saudi Arabia are not asking the United States to intervene directly to end this war, but we believe that both the United States and the Soviet Union have a responsibility to preserve peace and have to act seriously and with responsibility, in cooperation with friends in Europe, to end this tragedy.

We do not know how U.S.-Arab relations and in particular U.S. relations with Europe on the one hand and the OPEC countries on the other can be properly maintained in the light of the unfair campaign against the organization and the continued efforts to put an end to its effective role in ensuring economic stability and generating prosperity in world markets.

The question that comes to the fore is: Why is a vicious war being waged on OPEC countries at all levels? Why the tampering with the free market, the big reductions in consumption, the incessant search for substitute energy sources, and the high tariff barriers on these countries' petrochemical products?

We realize that the United States and the West European countries look on OPEC as a competing force likely to diminish the advanced countries' role in controlling and directing the world economy, as is happening at present; they believe that allowing OPEC the freedom to draw up its policies in accordance with the interest of its countries will place the industrial states at the OPEC countries' mercy for the next 100 years. In which case these countries will be in control of world destinies and will develop from an economic power into a political power.

While appreciating some of these fears, we realize that they stem from the colonialist and selfish mentality of these countries, which do not want the OPEC countries to develop their societies, catch up with them, or buy modern technology with the money from the oil they produce. They want all the other countries to remain backward and so continue revolving in the Eastern or Western orbit.

It is true that OPEC countries have succeeded in overcoming backwardness and that some of these countries, including Saudi Arabia, have been able to invest oil revenues in a comprehensive development program that has changed the quality of life and introduced us to the era of modern technology. This has been done through full investment in the total development of the country.

It is also true that the oil has contributed to giving strength to the political decisions of these countries and their people and that the world has begun to listen to our problems in a different manner and in the light of their interests with us.

But what is more true is that the United States and the West European countries do not want this to happen or national investment in these countries to grow, so that our societies will not develop from societies consuming foreign goods to societies producing their own goods and even exporting some of them.

For this reason OPEC has begun facing many difficulties which have affected and will continue to affect future cooperation with those countries. These difficulties are reflected in the quantity of oil produced and, therefore, in the revenues and programs of the OPEC countries, especially those countries which have not yet completed building their infrastructure. This has also caused economic difficulties for some countries, though not for Saudi Arabia because we have already completed our infrastructure in this country.

Despite the reduction of our production level, we have dealt with the situation with much prudence and balance. We are vigorously pursuing the policy of widening the economic base and actively seeking to exploit the vast mineral deposits available to us, which signal a new bright future. We are also producing many of our requirements locally, particularly food, as in the case of wheat, and reducing exports so that we will be free in our decisionmaking and not be subject to anybody.

It can be said that we are now in a better position, and our control of the world market is better than when we were producing 12 million barrels per day.

Another subject that we expect to be touched on in [King Fahd's] talks is the question of arms. The United States, we believe, is aware of the importance of looking into it away from Zionist lobby pressures in the United States.

This subject is the U.S. commitment to fulfill arms sales contracts concluded between the two countries, although we agree with the U.S. official who said that "the visit is not a trip for arms purchasing but for discussing the peace situation in the area."

We realize that this matter in particular is under detailed study and going through certain channels and passing through certain stages. We have no doubt that the U.S. administration is continuing its effort in this regard and that the arms deal requested by the Saudi Arabian Kingdom will shortly be put to Congress for endorsement.

What we can say in this connection is that the Saudi Arabian Kingdom, as an independent and fully sovereign state, is anxious to acquire all means of strength in order to defend its holy places and territory. It has the right to seek to obtain the quantities and types of arms it needs from the various sources which have such arms and which are willing and fully ready to cooperate with us in this field.

We as a state believe that our tremendous development programs, our policies characterized by moderation, our various wealths, and our great holy places need an effective military force to preserve them and to prevent any threat to their safety and security.

The United States is aware of these facts and is confident that the kingdom's strength is a strength for security and peace in the area and that any deal it concludes with us would be yet further backing for this effective action in the service of peace. It also realizes that any opposition to meeting our demand for arms would mean undermining the security of the area and weakening U.S. credibility among its friends as well as encouraging Israel's designs and ambitions at the expense of others. This in turn would encourage others to rule out the U.S. role in the area and to turn toward parties that act in words and in deeds and can promptly respond to friends' needs at the appropriate time.

Therefore, opposition to this or other deals would in fact be an action against the United States and in no way in the interest of Israel.

The Saudi Arabian Kingdom, which can afford to buy arms from anywhere in the world, can obtain its requirements without difficulty from friendly countries that understand and appreciate its positive role in the region and deal with it within the framework of common interests and away from pressures and compromise. We will not be angry, nor will we be affected if such a deal is successfully concluded, but it will definitely affect and harm the United States. There is no justification for such a loss.

As far as we are concerned the question does not cause us great concern; we will not be shocked if the Zionist lobby succeeds in preventing the completion of the deal, because we deal with the United States as a superpower on the basis of mutual respect. We respect its domestic situation, but this calls for a comprehensive review by the U.S. administration of the state of affairs in its institutions, with a view to upholding its decisions and preserving its friends' trust as well as sparing the country a menacing danger that, as a result of the exploitation of democracy in the current manner, will do away with the state as a superpower.

On this visit King Fahd not only represents himself and his country but also reflects a Palestinian will, represents a clear Iraqi viewpoint, and carries a comprehensive Arab and Islamic view which U.S. officials must learn about so that they can decide whether they can reappraise many of their stands and calculations, in order that we can proceed together on the right path, regardless of the proposed initiatives and despite their fundamental importance, in serving the cause of peace in the area and stability in the world.

CSO: 4400/82

SAUDI ARABIA

BRIEFS

DONATION FOR PROJECTS IN INDONESIA--The kingdom's ambassador to Indonesia, Muhammad Sa'id Basrawi, has presented to Indonesia 1.107 million Saudi riyals, or about \$312,000. This amount is the Saudi Arabian Government's donation for six Islamic projects in Indonesia. [Excerpt] [Riyadh Television Service in Arabic 1800 GMT 19 Feb 84 GF]

\$28.5 MILLION TO PALESTINIAN CAUSE--Riyadh, Feb 23, SPA--Saudi Arabia has extended a sum of 28.5 million U.S. dollars as part of its commitments to support the Palestine Liberation Organisation and Palestinian people residing in the occupied Arab territory. Rafiq al-Natshah, member of Fatah, the PLO's mainstream, expressed appreciation for the kingdom's continued support to the Palestinian revolution and people. He said this contribution was part of the kingdom's moral and material backing to the Palestine cause under the leadership of His Majesty King Fahd. He also praised the Saudi monarch's strenuous efforts to back the Palestine cause on all occasions, the latest being his talks with President Ronald Reagan recently in Washington, where he reaffirmed the dire need to ensure just and legitimate rights of the Palestinian people. Natshah expressed admiration for the Kingdom's fulfillment of its pledge to honour its commitments to the Palestine cause in line with resolutions adopted by the Arab summit held in Baghdad. [Text] [Riyadh SPA in English 1929 GMT 23 Feb 85 LD]

CSO: 4400/82

AFGHANISTAN

KABUL HOUSING CONSTRUCTION COMPLEX MARKS 20TH ANNIVERSARY

Kabul KABUL NEW TIMES in English 25 Jan 85 pp 1-2

[Text] Kabul (BIA)--The Kabul Housing Construction Complex, a bright token of the Afghan-Soviet mutual cooperation, marked its 20th anniversary in a grand function yesterday. The high order of "De Khalko Dusti" (People's Friendship) approved by the RC Presidium was awarded to the factory in appreciation of the activities of the workers, technicians and hard working engineers of the complex.

A memorial sign board, symbol of the impressions of the untiring work of the workers and employees of the complex and exponent of traditional friendship and fraternal cooperation between Afghanistan and Soviet Union was opened, during the function.

The function was attended by Sultan Ali Keshtmand, member of the Politburo of the PDPA CC and Chairman of the Council of Ministers of the DRA, some members of the Politburo and Central Committee of the PDPA, members of the Revolutionary Council and Council of Ministers, Kabul Mayor, some officials of Kabul municipality, Trakhimov, First Deputy of the Executive Committee of the Council of Representative of Moscow city and his accompanying delegation, Fikrat Ahmad Janovich Tabeev, USSR ambassador to the DRA, workers, engineers and employees of the complex and some workers of the productive firms of Kabul city.

The function was opened by playing the national anthems of the DRA and the Soviet Union.

Later on, Sultan Ali Keshtmand, Chairman of the Council of Ministers, in a speech touching on the role and importance of the housing factory as one of the highest manifestation of the internationalistic assistance and the Afghan-Soviet friendship said: The Kabul Housing Construction Complex is one of the outstanding symbols of the Afghan-Soviet friendship and of the pioneer constructional establishments of the country which is built with the economic technical cooperation of the Soviet Union. This notable and fruitful complex which was gifted by the Soviet people to the people of Afghanistan 20 years ago has carried out considerable services in construction of residential and modern flats for Kabul citizens.

The collective of Kabul Housing Construction Complex has gained rich experiences of fruitful work and good tradition of revolutionary struggle in the course of last 20 years. Best representatives of the worker's militant class of the country have been reared among the collective of the Complex.

During the post revolutionary years the workers of the Complex have spontaneously been pioneer in production and defence of their factory. The workers have achieved impressive successes in economization, utilisation of raw material and energy as well as proper and effective use of surplus and reserved material. They have actively participated in work competition and voluntary works and have discharged their productive plans and pledges properly.

Keshtmand added that the Kabul Housing Construction Complex is one of the tens of large, fruitful and significant projects built with the assistance of the Soviet Union and has brought in practical effects in the daily life of our people.

Right now, several thousand families live comfortable life in the well equipped residential flats built by this complex. The families of the martyrs and militants of the path of revolution on turn base receive these apartments. Shifting to Microrayon apartments is a real festive for every family. That is why, while marking the 20th anniversary of the Complex is a festive of thousands of working families of Kabul city and fans of flourishing, beauty and greenery of the capital of our revolutionary country.

On this occasion, once again the opportunity is provided to recall the great and fraternal assistance of the Soviet Union, of which the housing Complex can be cited as a fruitful manifestation.

Thenceforth, Trakhimov expressed gratitude for participation in the marking ceremony of the 20th anniversary of the Construction Complex and said that in the course of the last 20 years important events and great transformations have occurred in the life of Afghan people. The prelude of these great transformations is the establishment of the Kabul Housing Construction Complex which through building modern residential houses has added to the beauty of Kabul city.

This complex as a gift of the Soviet Union for solving great residential problem of the Afghan people, is a noted example of friendship and cooperation between the Soviet Union and Afghanistan. The Soviet Union would spare no cooperation with the working people of Afghanistan in building a new society and realisation of the ideals of the April Revolution. The process of these fraternal cooperations would continue unprecedentedly.

He congratulated the workers and employees of the Complex on its 20th anniversary and at the end granted a letter of merit and order of friendship of Moscow city as a symbol of friendship to the Complex.

Then, Wali Mohammad Abdiani, Kabul Mayor, read out the decree of the RC Presidium of the DRA based on which the high order of "People's Friendship" was approved due to work and activities of the workers, technicians and engineers of the housing factory and regrented Sultan Ali Keshtmand to affix the order of "People's Friendship" on the flag of the housing factory.

The acting president of the Kabul Housing Construction Complex expressed the heartfelt gratitude of the housing construction complex to the Central Committee of the PDPA, Revolutionary Council and Council of Ministers of the DRA for awarding the high order of "People's Friendship" and also expressed thanks for the "Order of Friendship" of Moscow city granted to the Complex.

He briefly shed light on the 20 years activities of this productive and constructional complex and added, that "the housing construction complex in the course of its 20 years activities has built 135 four, five and six storied residential blocks in 1st, 2nd and 3rd Microrayon with the fraternal cooperation of the Soviet experts. It has covered over 450 thousand sqm area.

The housing factory not only completed residential apartment but in the meantime has built 28 schools, stores, kindergartens, cinemas, bridges, the power plant of Northwest administrative quarters, hundreds of engineering networks like electricity, plumbing, central heating and others.

After the victory of the April Revolution especially its new and evolutionary phase the party and the revolutionary state decided to utilize the full capacity of the factory. Accordingly, in 1980 the work on expansion and amendments in the factory started at a cost of 308 million Afghanis from the state budget and credits from the friendly Soviet Union. As a result the maximum capacity of the factory rose to 37,000 tons of reinforced concrete and 51 thousand square metres of residential area.

The complex capacity is now fully utilized. More than three thousand workers and employees are in the payroll of this Complex. After the April Revolution workers township was created beside the Complex. So far 10 blocks consisting of 500 apartments are utilized.

Representing workers of the complex, Sayed Hussain Shah, a worker while addressing the gathering assured the leadership of the party and the state of their work for bettering the life of the compatriots and progress and blossoming of Afghanistan. Moreover, he thanked the fraternal and friendly cooperation of the Soviet Union in building the complex and its further expansion.

Afterwards the messages of congratulation sent by the workers and employees of the construction and productive institutions on the occasion of the 20th anniversary of the Housing Construction Complex were mentioned. Then the Secretary of the party primary party organization read out the message of the workers and employees of the Complex addressed to the PDPA CC and the RC of the DRA on this occasion. It was met with great applause and enthusiasm of the audience.

In the message to the PDPA CC, and the DRA Revolutionary Council, Council of Ministers and to Babrak Karmal, General Secretary of the PDPA CC and President of the Revolutionary Council of the DRA in person it is pledged:

"We, workers, technicians and engineers of the collective of Kabul Housing Construction Complex wholeheartedly are ready to work more than the target; and pledge to double the productive and construction output of the Complex by the end of the 1365 (HS) (March 20, 1986).

We will build modern apartments for Kabul citizens, and would defend decisively the gains of the April Revolution."

At the end of the function the participants visited display of the photographs depicting the activities of different sections of the Complex.

Then, Sultan Ali Keshtmand, and Fikrat A. Tabeev, Ambassador of the Soviet Union to the DRA, inaugurated a memorial signboard which depicts the undefatigable work and activity of the hard-working workers and employees of the Housing Construction Complex, a symbol of Afghan-Soviet friendship and cooperation.

A documentary film on the 20 years activities of the Complex was screened, followed by a concert.

CSO: 4600/275

AFGHANISTAN

HOUSING CONSTRUCTION EXPANSION CALLED AIM OF REVOLUTION

Kabul KABUL NEW TIMES in English 31 Jan 85 pp 1-2

[Text] The bustling life in the new blocks of Microrayon attracts the attention of every passerby. One can see some children playing and some others peeking through the windows of their apartments. Washings hung on the terraces have formed a beautiful picture of different colors. Not long ago, probably just last summer, the residents of these blocks had been living in damp, overcrowded, dingy old houses. Now they are in possession of these attractive centrally-heated apartment houses. Doubtless, the cosiness and warmth of these apartments owes its origin in the selfless efforts and labour put in by the workers who build the Microrayons (literally means "small cities").

These builders are the engineers and personnel of the Housing Construction Complex. The complex is located in the foot of the mountains a little farther from Kabul International Airport.

The complex was built twenty years ago with the cooperation of the fraternal Soviet Union. Today more than three thousand of workers and employees are working in it. The record of the work of complex is enormous. It has built thousands of flats, schools, kindergartens, stores, cinemas, power stations, bridges or a workers' township, the 400-bed military hospital and tens of other useful projects.

The complex celebrated its 20th founding anniversary this month. The workers of the complex usually win the first position among constructional units in work emulation campaigns. Recently the complex was awarded the "Order of People's Friendship."

This correspondent is now standing in the hangar where the shops for pre-fabricating wall sections are located. Behind the machines work is going on. There are women workers also Humaira, the first woman crane operator in the country is among these workers.

At the wire-bending section, I meet Saliha. She says: "The other day the 20th founding anniversary of the complex was celebrated here. We recounted the history of the complex, and the cooperation of the Soviet Union. I can feel the outcome of the friendship between Afghanistan and the Soviet Union

in the existence of this complex. The complex has provided me and thousands of others with the apartments equipped with modern facilities. I am no longer shelterless. There is no longer the pestering by landlords for increasing rent or vacating the houses. Fortunately now I am the owner and lord of my own house. This was due to the housing complex. Every day I come along with my husband to the complex and work happily. If the work is fruitful one's life becomes sweet," she says contentedly, while sharing her enjoyments.

I remember bitterly the shelling of Chinese rockets on the residential houses in the old part of the city, in the Microrayon and Qala Zaman Khan area. Who are the perpetrators of these crimes? Why they destroy houses and force the innocent people to become shelterless? As against these criminals there are the ones who provide shelter to the people and work for the tranquillity and prosperity of mankind. Saliha points to a Soviet expert working in the complex. "He is our technical partner who works tirelessly. He has come here to help us." The Soviet technician, Sidrenka, joins in:

"Your workers have extraordinary talent and perseverance. Though they have no formal education but by experience they have learnt a lot. My Afghan colleagues have turned out to be skillful technicians. They can handle complicated tasks and do away with the need for importing spare parts. They work wholeheartedly for the blossoming of their homeland. As friends they are inspiring to me. This friendship is the manifestation of the greater friendship existing among our peoples. The orders of 'The Friendship of Moscow City' and the 'The People's Friendship' received by the complex make it crystal clear that our friendship is strengthening."

Jan Ali, foreman of the prefabrication shop, is among the founders of the factory. Despite his age 50 he has retained his vigor. As a tender and kind teacher he supervises the work and oversees the consumption of raw materials.

In the beginning the factory was run with only 79 workers and nobody could visualize its rapid expansion. Now the factory covers a vast area and has more than three thousand workers.

"You fabricate houses for your people and thus fulfill your duty towards your fellow countrymen. What is your own feeling in this respect?" I ask him.

After a pause, he smilingly says: "Lately I was awarded the 'Honesty' medal. Accomplishing our duties, we keep in view that our city needs modern and up-to-date buildings and other amenities in order to become an ideal city worthy of being the capital of the country.

"I can not express exactly what really my feeling is. As far as I can understand, we have a holy and humane aspiration and sentiments towards mankind. Every patriotic working man of this country thinks so."

In the mechanical shop swarmed by the young technical cadres, the veteran worker Sarbiland gives instructions in the shop. The complex is not only a

constructional unit but is a training centre as well. It trains skillful workers in all fields.

Sabeland, in charge of the shop, is a serious and principled man. In his 20 years long career here, he has brought up more than 300 apprentices. His shop always stood first in the work competitions among the constructional institutions and within the factory.

"I never feel tired of doing thing which is entrusted to me and never postpone my daily chores. My 20 years long working career is full of the memories ups and downs. Needless to recall, the bitter impressions sometimes stir my mind. The dawn of the April Revolution is a milestone in the life of working man in this country. We are the real owners of our factory now. We build houses for ourselves right here and by our own very hands. The workers' township is an ideal living quarter for the workers housing more than five hundred families in it.

The factory at present produces more than 37,000 cubic metres of reinforced concrete and prefabricated products annually.

"The workers' township, as a major gain of the years of revolution, is a major achievement for the workers as well. It is quite comfortable to live here. All amenities and facilities are available. Consumer goods at reasonable prices can be had from the cooperative store here. The complex and the township is guarded voluntarily by the workers themselves. Almost all of them are mobilized in the self-defence groups.

Supervision of all affairs and control, economising of raw materials, launching of work emulation drives, are conducted by the workers themselves. The party's primary and the trade union organisations jointly work for the removal of the problems which the workers face in their life. Working together pays off.

CSO: 4600/276

AFGHANISTAN

LITERACY SCHOOLS ENROLLMENT SHOW INCREASE

Kabul KABUL NEW TIMES in English 29 Jan 85 p 2

[Text] Creation of the literacy schools is one of the gains of the April Revolution.

In the new phase of the revolution, considering the pivotal role of literacy in the life of the people and paying attention to raising the educational level of those deprived of furthering their academic studies, literacy schools were established in the country. The literacy school of Khushal Mina is one of those schools.

At the beginning, the school was attended by 50 housewives of the region. Later the number of the enrolled students grew to 260 who are studying in different classes from the fourth to eight grades.

The housewives who had studied privately or due to some other reasons could not follow their regular schooling now found the opportunity to further their studies. The lessons in the school are both theoretical and practical.

Professional as well as academic lessons are taught in the literacy schools. Tailoring, cutting, sewing, typing, home affairs, cookery are included in the curriculum of the literacy courses. After graduation from the literacy schools, the students have the choice to attend lycees (higher secondary schools).

For encouraging the students for extra-curricular studies and indulging in constructive hobbies, participating in social activities various literacy and artistic groups, e.g., for story and feature-writing, poetry recitals etc. have been set up in these schools. There are branches of the democratic youth and women organisations and of Trade Unions functioning in the school.

Like other schools the literacy schools are also under the sponsorship of the party precinct.

For facilitating the care-free studies by housewives a creche was created at the Khushal literacy school. Now the students have no problem for taking care of their children or babies, when they are at school.

"Due to some family problems I was not able to continue my studies at school and had been yearning for years to find a chance to complete my studies. The opportunity was provided by the party and the revolutionary government. We are pleased and enthusiastically attend the school," says Fahima, eight grade student of the literacy school.

CSO: 4600/275

AFGHANISTAN

NURSERY INAUGURATED IN FARAH PROVINCE

Kabul KABUL NEW TIMES in English 30 Jan 85 p 4

[Text] An atmosphere of gaiety and fervor ruled Farah city the other day. The children with hopes of a bright future were chanting slogans! "The path of revolution is our path. The nursery is our shelter."

The occasion was the opening of the Watan Nursery of Farah province by Mahbooba Karmal, President of the Watan Nursery. The establishment of Watan nurseries (state-run orphanages) is the manifestation of the humanism and the serious attention paid by our party and popular state to the destiny of the children deprived of the dearest parents by the coward and criminal counter-revolutionary bandits at the behest of the imperialist and reactionary circles.

The Watan nurseries, like benevolent mothers, embrace the children and youngsters of the martyrs of the cause of revolution and homeland. The nurseries do not let them feel lack of parents in such a critical moment of their life.

In the new phase of the revolution, our popular state has taken practical steps regarding the education and upbringing of those children and youngsters who have lost their parents on the path of revolution, as a result of the imposition of the undeclared war against our revolutionary country.

Watan nurseries are centres which provide tender care for children. Displaying humane concern for these tiny-tots, the Watan nurseries make every endeavour to train and bolster the youngsters as a new talented generation.

Watan nurseries were established first in Kabul city and subsequently in Kandahar, Jalalabad, Herat, Mazare Sharif, Sheberghan and Lashkargah cities and now in Farah.

The Watan nursery of Farah province can accommodate 50 children is built in a two storeyed concrete building with the cooperation of the Ministry of Education. It is equipped with all necessary amenities. With the completion of the development plan of the nursery undertaken by the Watan Nursery department, the nursery would be able to accommodate 250 children. The inhabitants of Farah province have taken active part in the construction of nursery's building through voluntary and collective works.

CSO: 4600/276

BANGLADESH

WRITER DISCUSSES POSSIBLE ALTERNATIVE TO ELECTION

Dhaka THE BANGLADESH OBSERVER in English 27 Jan 85 pp 1, 8

[Text] The Government will not opt for referendum as a substitute for parliamentary elections if the polls now scheduled for April 6 are not held.

The Government thinking has been prompted by two reasons. The referendum has lost its political credibility and also for the fact that it does not sell well in the world capitals.

What will be the alternative to the parliamentary elections has not yet been firmed up. There is a lurking fear in the Government circles that the parliamentary elections billed for April 6 will not be held.

Despite the reiteration of President Ershad that the elections will be held as scheduled the Government will not be in a position to hold the elections if the Opposition continues to resist the polls.

The parliamentary elections without participation of the two major opposition parties will be reduced to namely, BNP and Awami League a farce. Even if the Government decides to proceed with the present election schedule ignoring the Opposition demand the administration will find it very difficult to hold the elections. Holding of elections by bypassing Opposition demand will create a serious law and order situation which the Government will not be able to contain.

In the face of Opposition threat of boycott the administration will have to take more than adequate measures to avert any law and order situation. There will be roughly 22,000 to 25,000 polling stations throughout the country for 300 parliamentary seats.

To man the polling stations with extra police force which the situation will demand if the Opposition decides to boycott the polls, will be beyond Government's capability. It will also be difficult to obtain the services of 22,000 to 25 000 Polling Officers in the face of threatening Opposition posture.

There is no indication as yet of Opposition relenting its pressure. The Opposition is still insisting on the acceptance of the view-point demand for its participation in the elections, particularly the neutrality of President Ershad and withdrawal of Martial Law. The Government is not likely to bend any further to Opposition demand.

BANGLADESH

INTERNATIONAL PARLEY ON REGIONAL COOPERATION REPORTED

Ershad Inaugural Address

Dhaka THE BANGLADESH OBSERVER in English 15 Jan 85 pp 1, 10

[Text] The President and Chief Martial Law Administrator: Lt. Gen. H. M. Ershad said in Dhaka on Monday that cooperation among the seven South Asian countries would create an atmosphere of peace; amity and understanding in the region making great contribution to the cause of world peace. reports BSS.

Inaugurating an "international conference on South Asian Regional Cooperation (SARC): A socio-economic approach to peace and stability in South Asia at Dhaka Sheraton Hotel, the President said peace and stability in South Asia was essential for world peace and a strategy of corporate socioeconomic efforts could help achieve this goal.

Organised by the Bangladesh Institute of International and Strategic Studies (BIISS) the inaugural session of the three-day conference was addressed by the Adviser to the President for Foreign Affairs and Principal Foreign Secretary Mr Humayun Rasheed Chowdhury, Chairman of the Board of Governors of the BIISS, Prof. M Shamsul Huq and Director General of BIISS Brig M. Abdul Hafiz.

Besides 250 delegates from 18 countries including all seven member countries of the SARC, the function was attended among others by the DCMLAs Rear Admiral Sultan Ahmad and Air Vice Marshal Sultan Mahmud, Ministers, diplomats and high civil and military officers.

The President said seven countries of the South Asia were now engaged in the task of broadening regional cooperation on the basis of sovereign rights and equality. The success of this endeavour dictated the formulation of short term and long term programmes, he said adding: "We have to guarantee that such a strategy of cooperation will bring benefits to each country of the SARC."

He said in order to ensure unhindered march towards progress of each country in SARC, the more developing nations among them would doubtless assist others with their knowledge experience and expertise. In this context, he said, more developing members of SARC would be required to shoulder greater responsibilities and they would have to make some sacrifices as well

President Ershad said complementary economic efforts would benefit all members of SARC and pointed out that the mutual respect and confidence that would be generated among the peoples of these countries through such endeavours would be beneficial to all. He said close cooperation among the neighbouring countries in various fields would save unnecessary expenditures in a variety of ways and governments in these countries would find time and opportunity to address themselves to the task of ameliorating the condition of the people.

Referring to the various international and regional cooperations which yielded positive results he said regional economic cooperation among developing countries cannot develop merely on the basis of trade relations among them as happened among developed countries.

The President said South Asian Regional Cooperation was a unique programme for development which was not in any way prejudicial to the interests of any nation or grouping. He expressed his belief that the nations of the region would be able to overcome all constraints to make this regional cooperation activities more tangible for the good of "our people".

President Ershad said cooperation and exchange of knowledge among the SARC member countries could go a long way towards meeting the basic needs of people for food, clothing, shelter education and medi-care. The huge manpower resources of these countries could be harnessed for the progress and prosperity of the nations.

President Ershad hoped that the learned and constructive discussions at the seminars would evolve new means of attaining good and well being of the peoples and contribute to the efforts designed to achieve socio-economic objectives of the South Asian countries.

Speaking on the occasion, Mr. Humayun Rasheed Chowdhury said development in both its economic and social connotation was inextricably interwoven with peace and stability. The unresolved issues of an interdependent world economy were causing cumulative shrinking of the economic benefits to the countries of South Asia, he said and added they continue to menace development in the region, vex peace and rile stability in the region and beyond.

Prof. Shamsul Huq in his speech described the SARC as a dialectical response for peace, stability and development and said the over-all geo-politico-economic scenario within the region and outside rendered South Asian Regional Cooperation an imperative for peace, stability and development of the region.

In his speech, Brig. M. Abdul Hafiz said the objective behind the conference was problems of peace and stability in South Asia and how to ensure peace and stability in the region. He said the wide and free interaction in the deliberations would provide deeper insights and greater understanding and appreciation of the problems of peace and stability as well as mechanism of resolving them.

Soviet Delegate's Speech

Dhaka THE BANGLADESH OBSERVER in English 21 Jan 85 pp 1, 10

[Text] Dr. Alexandre E. Granovski a Soviet academician expressed the view in Dhaka on Sunday that the regional economic co-operation among South Asian countries like the case in ASEAN (Association of South East Asian Nations) would bring common economic benefits. He observed that though the "complementary" element in economic relations among the South Asian Regional Countries (SARC) was low at this stage of their economic growth because of "past colonial exploitation", there was still scope for cooperation and collaboration in what he termed "science-intensive" technology [one word illegible] engineering sectors in the region.

The Soviet academician who is the head of the economic section South Asian Department of the Moscow, took part in the just-concluded seminar on SARC, organised by Bangladesh Institute of International and Strategic Studies (BIISS).

Giving his impressions about the prospects for economic cooperation in the region at a Press briefing at the Press Information Department of the Soviet Embassy, Dr. Granovski felt that "competitive" element was still the dominant aspect in the inter-country economic relations in the SARC. Yet, he observed there can be good cooperation in areas of marketing price quality etc. in areas where there was competitiveness among the regional countries. He felt that there was an ample scope for expansion of regional economic relations on 'complementary lines' from a long-term point of view.

US Role Criticised

Mr. Granovski was highly critical of the role of the US and felt that the "US is trying to drive a wedge among the SARC countries by way of overplay of factors which divide the South Asian countries". The USA wants to overplay contradictions between India and Pakistan, and India and Bangladesh and such an attitude does not benefit cooperation he alleged.

Explaining the stand of the USSR on the SARC, the Soviet academician noted that his country had a "very positive" stand on such cooperation because "this can serve a mighty instrument for strengthening the political and economic independence of the concerned regional countries and also for eliminating the common problems of backwardness to attain the collective self-reliance by developing countries on the basis of "equality and non-interference in each other's internal affairs".

Congress Resolution

Dhaka THE BANGLADESH OBSERVER in English 17 Jan 85 p 12

[Text] The three-day international conference on 'South Asian Regional Cooperation: a socio-economic approach to peace and stability in South Asia' which concluded in Dhaka on Wednesday observed that peaceful and speedy

resolution of problems in the region would pave the way for accelerated progress in regional cooperation reports BSS.

A final document issued at the end of the conference said "such an objective was considered to be achievable since the member-states of the SARC were committed to the principle of Non-alignment and to the cause of international peace"

The conference, first ever held in Dhaka was formally opened by President and Chief Martial Law Administrator, Lt. Gen. H.M. Ershad on Monday.

The conference was attended by about 300 distinguished scholars researchers and educationists from within and without. They included 29 eminent scholars from 17 countries of South Asia and other regions of Asia, Europe and North America.

The document said 'though divergence in security perceptions among the countries of the region and disparity in their military and economic power were realities not to be ignored it was felt that such an asymmetry should not be viewed as an impediment to the development of mutually beneficial regional cooperation"

It said the nation-states in this area were still in a process of evolution and regional cooperation would facilitate this evolutionary process.

The conference felt that a "South Asian Institute" should be established in the region to carry out in-depth studies on various aspects of regional cooperation. This institute could provide the much needed intellectual support and policy-inputs for the development of the SARC

The conference observed that despite many problems and challenges there was complete agreement that the SARC was a step in the right direction and reflected the statesmanship of the leaders of the countries of the region.

During the three-day conference a total of 20 papers were presented covering different aspects of the theme in four working sessions. Presentation of papers was followed by stimulating discussions by designated and general participants. The working sessions were followed by a plenary session on Wednesday. Presided over by Prof. M. Shamsul Huq Chairman, Board of Governors Bangladesh Institute of International and Strategic Studies (BIISS).

Earlier in the morning session three papers were presented by Mr. Krishna P. Khanal of Nepal Mr. Mizanur Rahman Khan of Bangladesh and Mr. A. E. Granovski of USSR.

Mr. Justice Mostafa Kamal, Member of the Board of Governors of BIISS presided over the working session

In his concluding remarks Prof M. Shamsul Huq said that the deliberations at the conference were thought-provoking and scholarly and the ideas generated would contribute to strengthening cooperation in the region

BANGLADESH

FULL RESTORATION OF FUNDAMENTAL RIGHTS DEMANDED

Dhaka THE BANGLADESH OBSERVER in English 26 Jan 85 pp 1, 12

[Text] The Committee for Fundamental Human Rights and Legal Aid at a meeting on Thursday viewed with concern the wide-gap between the pledge regarding restoration of fundamental rights made by the CMLA to the nation in his address to the nation on the eve of the Victory Day and the Order published in the extraordinary Gazette on January 15 last. It is clear that only certain relatively less important and not all provisions of the fundamental rights enshrined in our Constitution have been restored the meeting felt.

President over by Syed Ishtiaq Ahmed Chairman of the organisation the meeting adopted a number of other resolutions which are:

In fact the basic and important fundamental rights like the provisions relating to equality of all citizens before law (Article 27), right to seek protection under law (Article 31) right to personal liberty (Article 32), safeguards against unlawful arrest and preventive detention (Article 33) protection against retroactive legislation creating offences and providing for punishment (Article 36), freedom of movement (Article 36) freedom of assembly (Article 37) freedom of association (Article 38) freedom of thought and conscience, freedom of speech and expression and the freedom of the press (Article 39), rights to property (Article 42) and protection of the home against unlawful entry search and seizure and privacy of communication (Article 43) have not been restored at all.

The said order does not revive the writ jurisdiction of the High Court Division of the Supreme Court in regard to the above provisions and while ousting the writ jurisdiction with regard to all past and future Martial Law actions also bars the writ jurisdiction of the court with regard to all actions of the administrative and local authorities and all proceedings taken by courts and tribunals before the date of the commencement of the order, that is 15th January, 1985.

The Committee on Fundamental Human Rights and Legal Aid therefore, demands full restoration of the fundamental rights and writ jurisdiction of the High Court Division of the Supreme Court of Bangladesh under Article 102 of the Constitution.

CSO: 4600/1327

BANGLADESH

ERSHAD 28 JAN SPEECH REVIEWS ACCOMPLISHMENTS

Dhaka THE NEW NATION in English 29 Jan 85 pp 1, 8

[Text]

ATGHORIA (Pabna), Jan 28 (BSS): The President and CMLA Lt General Hussain Muhammad Ershad said here today that priority had been given to the less developed areas to ensure a balanced development of all regions of the country.

The President was addressing a huge public meeting at the Atghoria upazila headquarters premises.

He said since assuming the responsibility of running the administration of the country by his government, a number of pragmatic steps had been taken for the uplift of this hitherto neglected region which covered all the vital sectors including communications and industrialisation.

In this context, he referred to the Jamuna bridge project and said with the assistance of Saudi Arabia which had already made available Taka five crore for the purpose the preliminary work on this gigantic project had been taken up. Inshallah, the project would be implemented, he said, adding: the bridge would not only fulfil the long felt demand of the people of the northern region, but also remove the communication and transportation hazards and this would contribute immensely to economic activities.

President Ershad reiterated his government's top priority on

development of communications and power sector and said these two factors form the essential ingredients for the over-all development of the country as a whole.

He said side by side efforts for development of communications, the government had been making persistent endeavour for enhancing the power generation capacity in the country.

The President, in this connection said that the atomic reactor for northern region for generation of power, which was virtually abandoned, would be built. He said efforts are being made for the procurement of funds for the project which would greatly improve the power generation position in the country.

He referred to the radical reforms effected in various socio-economic sectors and said these measures had brought about a spectacular improvement in all national sectors including administration, economy, land system, judiciary, drug and industrial policies.

President Ershad said in fulfilment of his pledge given to the nation to establish a sound democratic order he did everything possible for smooth transition to democracy. With this end in view, he said he had announced elections schedules twice earlier which were postponed to accommodate the view points of some political parties. Instead

of appreciating government's sincerity in this regard, the political parties took a negative stand on one pretext or the other which was delaying the process for establishment of democracy.

He said this time the date for parliamentary election was fixed on April 6 next and the whole nation was now in election mood. He urged the opposition political parties to go to people with their programmes and test their popularity. He asserted that the mandate of the people to be expressed through ballots would be fully honoured.

President Ershad said some of the political parties had raised questions about the fundamental rights that had been restored recently to pave the way for transition to democracy. He said these political parties took part in elections in 1979 when late President Ziaur Rahman restored fundamental rights to that extent only. This time also these had been revived in similar manner and no less or no more, he added. He posed a question why they had their reservation now under similar conditions and wanted to know the logic behind such an approach.

As regards the demand made by a leader of an alliance for withdrawal of bar on taking part in election by some former ministers because of conviction the President said late President Zia had himself started drawing proceedings against them on charges of corruption and misuse of power. After his death, his successor Justice Sattar completed the job, but due to various reasons he could not put them on trial. These ministers in apprehension of arrest by their own government even obtained anticipatory bail.

He said his government only completed the whole process initiated by President Zia himself and they were found guilty of charges and punished. The President said how this leader was doing politics with these people whom her late husband found to be corrupt.

Is this the way to materialise the ideals of her late husband? he asked.

President Ershad said in 1979, a number of Awami League leaders were debarred from taking part in elections and even then the party took part in the polls. He said he found no logic of refraining from elections this time with no circumstantial difference.

The President urged the political parties to rise to the occasion and catch up to the mood of the whole nation by taking part in the forthcoming elections which were going to be held in fair, free and impartial manner. He said the country belongs to us all and it was our combined responsibility to uphold the image of the nation high.

The President announced grants for construction of a hostel of the local college, development of educational institutions, mosque.

The enthusiastic crowd at the meeting punctuated the President's speech with frequent welcome slogans and applause expressing their full support to the dynamic leadership of President Ershad and to his welfare-oriented programmes.

Earlier, addressing the chairmen and members of union parishads under the upazila, President Ershad said as elected representatives, they had a commitment to their electorate to serve them. He said they had an important role in the development of their respective localities and with the decentralisation of administration, their responsibilities had been increased manifold.

Reminding them of the danger of population boom, he said without checking it effectively, no development efforts could yield any meaningful results.

On arrival, President Ershad was given a rousing welcome by thousands of people from all walks of life including women, children and students.

The ZMLA Zono B Brig. Mahmudul Hasan was present.

BANGLADESH

BANGLADESH BANK RELEASES ANNUAL REPORT FOR 1983-84

Improvement in Economy

Dhaka THE BANGLADESH OBSERVER in English 29 Jan 85 pp 1, 8

[Text] The annual report of the Bangladesh Bank for the year 1983-84 released on Monday claimed overall improvement of the country's economy during the year under review. But the report stated that the general price situation in the country in 1983-84 recorded some deterioration and the money supply showed a phenomenal growth of 36.67 per cent.

The report noted that the prices of a number of essential consumer goods recorded sharp increase and the general price index for the middle class people in Dhaka city (1973-74:100) which stood at 340.30 in June 1983 rose to 382.26 in June 1984 indicating an increase of 12.33 per cent over the year on a point to point basis as against 13.89 per cent during the previous year. The report stated that the annual average increase was 9.67 per cent in 1983-84 as against 9.93 per cent in 1982-83.

The food prices remained under pressure during the year 1983-84 due to increase liquidity in rural areas generating from increased development expenditures in these areas increased holding power of surplus farmers due to expansion in agricultural credit and increased higher prices following higher prices of cash crops. Over the year the average minimum price of coarse rice rose by Taka 109.30 crore to 712 per quintal (100 kilograms) or 18.14 per cent.

While the narrow money supply (Money outside the bank) increased by 36.67 per cent the broad money (which includes will deposits) grew by 41.55 per cent. The increase in money supply was brought about by an increase of Taka 1755.55 crores in credit to the private sector and by a large surplus of Taka 523.68 crores in the country's international account. Miscellaneous credit contributed Taka 102.34 crores to the expansion in money supply. The deficit in government was also expansionary to the extent of Taka 170.11 crore. The report stated that the expansionary influence was partly neutralised by the accruals of Taka 1522.25 crore in time deposits and decline in credit to the public sector by Taka 122.67 crore.

The phenomenal increase in money supply during the year 1983-84 resulted in inflation in the economy. The cost of living increased beyond the purchasing power of the common people.

The total foreign (FDI) money supply was 1,00,000 crore in 1983-84 and 1,00,000 crore money supply (FDI) was 1,00,000 crore in Taka 8528.19 crore.

10. Money supply (FDI) Taka

The annual report states that the Gross Domestic Product (GDP) increased by 10.1 per cent in 1983-84 against 10.1 per cent in 1982-83. Per capita GDP at current prices increased from Taka 3179 crore in 1982-83 to Taka 3179 crore in 1983-84. Agricultural production increased by 1.4 per cent during the year under review as against 4.7 per cent in the previous year. The industrial production grew as a whole by 3.7 per cent in 1983-84 as against the nominal growth of 0.1 per cent in 1982-83. The growth rate of the construction sector increased by 10.1 per cent (10.1 per cent) per cent as against the decline of 3.6 per cent during the previous year and the power and gas sector showed a spectacular growth of 21.4 per cent during the year under review (compared to 7.7 per cent in 1982-83). The transport sector which grew by 3 per cent in 1982-83 recorded higher rate in 1983-84 and 5.5 per cent in the previous year.

11. Total Federalist production is estimated to have increased by 2.63 per cent in 1983-84 from 1503-84 to 1510 lakh tons in the previous year.

Foreign aid and investment

12. The total foreign aid and investment is estimated to be 1,00,000 crore in 1983-84.

The total foreign aid and investment since independence has been 1,00,000 crore in 1983-84. However, the total foreign aid and investment since 1983-84 is 254 million dollars at which 100 million dollars (39.37 per cent) were grants.

13. The total foreign aid and investment is estimated to be 1,00,000 crore in 1983-84.

The report states that the total foreign aid and investment of the country as at 1983-84 was 1,00,000 crore. During 1983-84 the repayment of foreign aid was 1,00,000 crore (100 million dollars) which was 1,00,000 crore (100 million dollars) of the foreign aid.

The report also states that the total foreign aid and investment to the country during 1983-84 was 1,00,000 crore (100 million dollars) which was 1,00,000 crore (100 million dollars) of the foreign aid. However, the total foreign aid and investment during 1983-84 was 1,00,000 crore (100 million dollars) which was 1,00,000 crore (100 million dollars) of the foreign aid.

14. 100,000 crore

BANGLADESH

STATEMENTS BY VISITING U.S. SENATOR PROTESTED

Dhaka THE NEW NATION in English 23 Jan 85 pp 1, 8

[Text] The 15-party alliance and the Communist Party of Bangladesh (CPB) in separate statements issued yesterday condemned and resented the 'audacious observations' of US senator and US Senate Foreign Relations Committee Member Larry Pressler on 'internal affairs of Bangladesh' during his two-day visit to the country.

They described Pressler's observations as interference in the internal affairs of Bangladesh and said that he had gone beyond the limit of diplomatic ethics by pleading in favour of martial law in Bangladesh.

They also expressed their indignation at what they called his (Pressler's) disdainful attempt to set one country against another in this subcontinent.

They said that in fact 'US imperialism' wanted to entangle Bangladesh in its global war strategy and the goodwill visit of a US naval ship to Chittagong port had proved it.

They stated that the US senator had got the opportunity to shamelessly speak against the sovereignty of Bangladesh from its own soil because of this government's appeasement policy toward "US imperialism".

They called upon the people to be loud in their protest against the observations of US senator Larry Pressler.

CSO: 4690/1331

DECLASSIFIED

CURRENT FISCAL YEAR'S IMPORT PROGRAM REVISED UPWARD

Dhaka THE NEW NATION in English 18 Jan 85 pp 1, 2

[Article by Syed Badiuzzaman]

[Text] The government has revised the import programme for the current financial year raising the expenditure to 2,800 million US dollars from the original estimate of 2,700 million dollars.

The upward revision was made mainly to accommodate more import of foodgrains and fertilizers. The recent trend in price, stock and demand for various goods were also taken into consideration.

Because of flood damage, the import of foodgrains is now estimated at 561 million dollars against the original estimate of 364 million while that of fertilizer will go upto 106 million dollars from 80 million estimated earlier.

However, the total resources available for the import programme for 1984-85 fiscal year, which has also been reviewed by the authority concerned is now estimated at 3,047 million dollars against the original estimate of 3,000 million.

The decline is mainly due to a fall in inflow of wage earners' remittances and shortfall in disbursement of project and commodity assistance. During the July-October period of the current financial year, average monthly remittances was 36.17 million dollars against 51.71 million in the corresponding period last year.

Out of the total import payment of 2,800 million dollars, non-dutiable imports involve an expenditure of 967 million. This includes crude petroleum of 43 million dollars, edible oil of 23 million, edible oil seeds of 12 million and others 40 million besides foodgrains and fertilizers.

This correspondent learnt from official sources that an amount of Tk 100 crore would be received as import duty (at the rate of 22.5 percent) from dutiable imports of 1833 million dollars equivalent to Tk 4760 crore this year.

During rest of the period of the current financial year, the imports of crude petroleum, edible oil, staple fibre, yarn, cement and certain miscellaneous items will decline in view of their demand and stock position. And some goods like edible oil, petroleum products, crude petroleum, cotton, staple fibre, fertilizer and cement have gone down leading to decrease in the value of import.

Reduction in effective rate for items like petroleum products, plastic materials, motor cars and books and journals might be due to a change in the composition of their group as low-duty goods. In case of man-made fibre and metals, rate of import duty was kept lower in the budget but decline in effective rate for items including spices, tallow, railway locomotives, ceramic glass and glass ware was said to be 'difficult to explain and needs investigation' by the National Board of Revenue (NBR).

In first five months of the current financial year, import duty amounted to Taka 433.39 crore from dutiable import of Taka 1639.11 crore, the average rate of import being 26.4 percent as against 31.5 percent in the corresponding period of previous year.

While the dutiable imports during July-November period increased by 54.2 percent over the same period of the previous year, import duty rose by 29.3 percent. In dollar term, the dutiable imports increased by 50 percent compared to the same period of 1983-84.

Scrutiny of data revealed that average rate of import duty for a number of items during the period under review was substantially lower while their value was more than double compared to the same period of last year. It may be mentioned in this connection that the effective rate of import duty of 13 identified items declined to an average of 20.8 percent from 34.1 percent in July-October 1983 while their value increased to Taka 512.36 crore from Taka 203.56 crore. The share of these commodities in total imports as recorded by the NBR was 32.5 percent during July-October this year compared to 21.1 percent last year.

CSO: 4600/1319

BANGLADESH

PAPERS REPORT REACTION TO VISIT OF U.S. WARSHIP

Communist Leader's Statement

Dhaka THE NEW NATION in English 13 Jan 85 p 8

[Text] Mohammad Farhad, General Secretary of Communist Party of Bangladesh, in a statement expressed concern over the reported arrival of US naval ship at Chittagong port.

The statement said, it is within the knowledge of everybody that the Seventh Fleet to which the visiting warship belonged, took position in the Bay against our Liberation War in 1971.

The CPB leader said, presence of the US warship in our territorial water is tantamount to tarnishing the image of our Liberation War.

The CPB leader sounded a note of warning against putting Bangladesh in a global war strategy of a particular super power. The report of the arrival of US warship came at a time when there is a widespread apprehension that Bangladesh might be linked with a global war strategy of a super power by conceding the latter war facility at its territorial water, the statement said. The people of Bangladesh under no circumstances will allow this to happen in their country.

Awami League Leaders

Dhaka THE BANGLADESH TIMES in English 14 Jan 85 pp 1, 8

[Text] Sheikh Hasina Wazed and Begum Sajeda Choudhury, President and Acting General Secretary, respectively of Bangladesh Awami League in a statement on Sunday expressed their deep concern over the visit of the United States Navy ship USS Tuscalossa at the Chittagong Port.

The Awami League leaders protested against the visit of the US naval ship and said that it had "reminded us of the hated and heinous role of the US imperialism in our war of independence".

Sheikh Hasina and Begum Choudhury said that the people of Bangladesh had not forgotten how the decision of sending Seventh Fleet of the United States to

only the Pakistani forces in the fag end of War of Independence in 1971 was
ended due to the protest and resistance of the world conscience. "After 10
years of independence, the arrival of a US war ship in Bangladesh has made the
people of Bangladesh and the Indian Ocean region panicky and
concerned", the Awami League leaders said.

Sheila Hasina and Begum Sajeda Choudhury called upon the people to put a
strong resistance against any move to establish US influence in Bangladesh.

Peace Council

Bangladesh Peace Council also protested against the presence of US warship in
Colombo and called upon all patriotic people to resist the imperialist
conspiracy.

In a press statement on Sunday Mr Abu Zafar Shamsuddin and Mr Ali Aksad,
President and General Secretary of the Bangladesh Peace Council respectively
said that Bangladesh is committed to the policy of non-alignment and for the
transformation of Indian Ocean as a nuclear free peace zone.

140/ 150/1518

BANGLADESH

IMPLEMENTATION OF DEVELOPMENT PROJECTS DISAPPOINTING

Dhaka THE NEW NATION in English 13 Jan 85 pp 1, 8

[Article by Jalal Nawaz]

[Text] Only 13.6 per cent of a total of 205 projects approved by the National Economic Council (NEC) was implemented during the 10 years from 1975 to '84.

Of the 205 projects, only 28 were fully and 91 others partially implemented upto October last year.

An evaluation made by the Implementation Monitoring and Evaluation Division (IMED) depicted a disappointing picture of the pace of implementation of development projects in the country.

According to the evaluation, work on 38 projects has not yet started despite availability of resources and manpower.

The Imed has failed to trace the present position and future of at least 24 projects. It has further noticed that another 24 projects, implemented or unimplemented, seem to have no utility at present.

Meanwhile, about 347 ongoing projects of various duration, ranging from one to 20 years, have yet not been implemented fully despite all financial and logistic support from the authorities.

Six projects of 16 to 20 years' duration, 14 of 11 to 15 years', 33 of 6 to 10 years' and 298 of one to five years' duration are progressing at snail's pace.

Of the projects, old and new, nine have already spent 700 per cent of its allocated money. 11 projects 600 per cent, 19 projects 500 per cent, 27 projects 400 percent, 43 projects 300 per cent, 78 projects 200 and 143 projects 100 percent.

The government has expressed dissatisfaction at the progress of these projects and termed these projects sick.

CSO: 4600/1318

SECRET

SOVIET AMBASSADOR SPEAKS AT DHAKA FRIENDSHIP MEET

Dhaka THE NEW NATION in English 13 Jan 85 pp 1, 2

[Text] Mr V. G. Bolievi, Soviet Ambassador in Bangladesh said here yesterday the existing friendly ties and bilateral cooperation between Bangladesh and the Soviet Union will be further strengthened, reports ENA.

Speaking at a reception accorded to him by the Bangladesh Soviet Friendship Society, Mr. Bolievi said the Soviet Union will continue its help and cooperation in different fields of development of Bangladesh. He recalled the role played by the Soviet Union in international forums during the Independence War of Bangladesh. He also said that his country extended financial and technological support to Bangladesh after it achieved the independence.

Touching upon global issues he said Soviet Union has been working hard for global peace and reduction of nuclear weapons. Gromyko-Shultz talks on reduction of nuclear arms held recently at Geneva, became fruitful due to the sincere efforts of the Soviet leadership, he added.

Presided over by Prof Kabir Choudhury, President of Bangladesh Soviet Friendship Society, the function was also addressed by Mr Justice K.M. Sobhan and Prof Akhtaruzzaman, General Secretary of the Samity.

Mr Justice Sobhan, speaking on the occasion appreciated the role played by the Soviet people and the government in the struggle for establishing global peace. He said people of Bangladesh will stand by the Soviet Union and other countries who are making relentless efforts for world peace and reduction of nuclear arms threatening the very existence of mankind.

Prof Kabir Choudhury lauded Soviet Union's sincere support to those who are struggling for independence.

He also stressed the need for exchange of delegations in the field of culture between the two peoples.

Mr Akhtaruzzaman said the people of Bangladesh have warm love and felicitations for the people of the Soviet Union.

The function was rounded off with a cultural function.

CSO: 4600/1318

BANGLADESH

REPORTAGE ON SITUATION OF JAILED FREEDOM FIGHTERS

Amnesty Extended

Dhaka THE NEW NATION in English 12 Jan 85 pp 1, 8

[Text] The Central Command Council of Bangladesh Muktiyoddha Sangsad yesterday called upon the freedom fighters not to be misled and remain "alert" against any "provocation" on the release of detained freedom fighters issue, reports BSS.

In a statement the council said that following the general amnesty declared by the President on December 16, 1983 the Sangsad on October 3 last year had asked the jailed and under-trial freedom fighters through newspapers to submit papers relating to their cases before the Command Council within three weeks.

The time-limit was further extended to December 31, last year by the government at the request of the Muktiyoddha Sangsad to facilitate more freedom fighters to submit their papers. All papers submitted by the detained freedom fighters were already placed before the authorities which have been taking necessary steps on a priority basis.

According to the presidential announcement, the Council said, this general amnesty was applicable to the freedom fighters jailed or undergoing trial before December 1983. Besides the government decided to exempt two-thirds of the jail term for those freedom fighters convicted on charges of murder and dacoity while convicts of other cases and under trials would be covered by general amnesty.

The Sangsad said among the hunger striking freedom fighters papers of 33 have already been submitted to the concerned authorities necessary measures being taken on a priority basis. The council asked other detained freedom fighters to submit immediately their papers to the Sangsad or Home Ministry with all particulars relating to their participation in the liberation war.

Concern Over Oppression

Dhaka THE NEW NATION in English 12 Jan 85 pp 1, 8

[Text] Committee for the Helpless families of the Detained Freedom Fighters expressed its deep concern at the oppression on the detained freedom fighters in the Dhaka Central Jail.

In a statement issued yesterday, Mr M Islam and Mr. S. R. Majumder Chairman and Secretary General respectively of the committee said the detained freedom fighters in the jail were subjected to severe torture by the Jail authority. They said that the detained persons were undressed and beaten mercilessly and some of them sustained severe injuries.

Mr. Islam and Mr. Majumder said the hunger striking families of the detained freedom fighters spent fourth-day yesterday at the venue in front of the National Press Club.

Three of the seriously ill hunger-strikes--Maleka Bibi, Mrs, Champa and Mrs. Jobeda were shifted to Dhaka Medical College Hospital (DMCH) admitted in Ward No 19; but they regretted that they were misbehaved with by the attending staff of the hospital. As a result they were taken back to the venue in front of the National Press Club.

They called upon the people particularly intellectuals including journalists, litterateurs and freedom fighters to come forward to the aid of the helpless and distressed families.

They also expressed their concern at the silence of the government over the matter.

CSO: 4600/1314

BANGLADESH

RAJIV GANDHI REMARKS TO 'TIME-LIFE' SCORED

Dhaka HOLIDAY in English 11 Jan 85 p 1

[Article by Ahmed Fazl]

[Text] India's newly elected Prime Minister Mr. Rajiv Gandhi has seemingly reactivated the controversial fencing proposal by reportedly telling the US Time-Life magazine group that he was firm about putting up a fence around Bangladesh.

If Mr. Gandhi's comments have been accurately reported, it indicates that the new leadership in India will tread the beaten track in the coming years. However, Mr. Gandhi's advent in the government in New Delhi after her mother's assassination had raised hopes that perhaps India would review her policy vis-a-vis relations with Bangladesh.

A Foreign Ministry source said on Thursday that they are waiting for the official text of the interview that the Indian leader had given to Time-Life before reacting to the statement.

The statements on the barbed wire fence have come at a time when the crucial talks over the sharing of the Ganges are stalled. The last ministerial meeting of the Bangladesh-India Joint Rivers Commission (JRC) was held on December 15 at New Delhi, but as apprehended they yielded no results.

Even the date for the next session has not been fixed, and according to local JRC sources, India has not given any indication as to when the Ganges talks can be held to determine an agreed formula for sharing.

But as the Ganges issue sores, Bangladesh is yet to formally receive the land corridor "Tin Bigha" linking the two enclaves of Angorpota and Dahagram agreed to be leased out by India under a boundary accord nearly a decade ago.

And the once highly publicised conflict on the ownership of the South Talpatty Island--a land accretion in the Bay of Bengal--has virtually been shelved.

With all these festering irritants, relations between Bangladesh and India are bound to face troubled times ahead unless the new government in New Delhi is ready to bring about a climate of change, observer share noted.

The only silver lining of an otherwise gloomy situation is the stress that the Indian government is still putting on the South Asian Regional Cooperation (SARC) forum. Although, bilateral issues are kept out of the scope of SARC meetings, the progress of regional cooperation could generate some positive feeling.

CSO: 4600/1313

BANGLADESH

DETAILS OF TRADE AGREEMENT WITH BHUTAN GIVEN

Dhaka THE BANGLADESH OBSERVER in English 13 Jan 85 pp 1, 10

[Text] Bangladesh and Bhutan on Saturday signed an agreed minute expressing their common desire to promote trade and economic relations between the two neighbouring nations for their mutual benefit reports BSS.

The agreement came after several rounds of talks between the visiting Bhutanese trade delegation and Bangladeshi officials on various ways of expanding bilateral cooperation.

Mr. Dasho C. Dorji Joint Secretary in charge Ministry of Trade Industry and Forests Government of Bhutan and Mr. K. A. Mamun Additional Secretary, Ministry of Commerce who led their respective teams in the talks signed the agreed minute on behalf of their governments

During the talks both sides reviewed the facilities for movement of goods through designated exit and entry points to various destinations in Bangladesh and Bhutan. They also indentified goods to be exported from each country.

Both sides agreed to explore the possibility of tariff concessions on reciprocal basis. It was also agreed that the Trading Corporation of Bangladesh and State Trading Corporation of Bhutan will conclude special trading agreement for expansion of bilateral trade.

Bangladesh and Bhutan signed a trade agreement in 1980 providing institutional framework for mutually beneficial trade between them.

Under the agreed minutes, Bangladeshi export to Bhutan includes jute goods, jute carpet newsprint writing paper and paper products soap and detergent leather and leather goods tobacco cigarette electric and telephone cable ready-made garments pharmaceuticals diesel engine and sanitary ware.

Goods to be imported from Bhutan include dolomite boulders wood and timber wooden railway sleepers canned fruits fresh fruits (orange and apple) treated transmission pole and cement.

Dissemination of trade information exchange of business delegation and holding of trade fairs in each other's territory were also emphasised during the talks

The delegation which arrived in Dhaka Tuesday visited Adamjee Jute Mills Bangladesh Television sanitary ware factory national export emporium Narayan ganj and some industrial installations around the capital.

After the signing ceremony the leader of the Bhutanese team expressed his full satisfaction at the discussions held with Bangladeshi officials. Describing the agreed minutes as another milestone' in the relation between the two countries Mr Dorji said the ties will be further strengthened in future to our mutual benefit.

Meanwhile the Commerce Ministry has expressed the hope that the relations between the two countries will get a further boost by the forthcoming visit of Bhutanese Trade Minister to Bangladesh.

The delegation will leave Dhaka today (Sunday)

CSO: 4600/1315

BANGLADESH

PROTOCOL ON JAPANESE KENNEDY ROUND AID SIGNED

Dhaka THE BANGLADESH TIMES in ENGLISH 13 Jan 85 pp 1, 8

[Text] Japan will provide Bangladesh economic assistance worth about Taka 40 crore (Yen 3.95 billion) under two separate "exchange of note" signed in Dhaka on Saturday, reports BSS.

The first of the Japanese grant worth about Taka 34 crore, will be utilised for procurement of agricultural inputs like fertilizer, machinery, pesticides and spares under the 'Kennedy Round Programme'.

Under the second exchange of notes, Japan will give Bangladesh Taka 6 crore for procurement of C.I. sheet which will go to the flood affected areas as disaster relief.

Mr. M. Muniruzzaman, Secretary, External Resources Division (ERD) of the Finance Ministry and Mr Shunji Kobayashi, the Japanese Ambassador to Bangladesh, signed the notes on behalf of their respective governments.

The Japanese grant assistance under the Kennedy Round Programme will be utilised by Bangladesh Agricultural Development Corporation (BADC), Directorate of Plant Protection and the Ministry of Food.

Japanese grants under the Kennedy Round Programme are usually directed towards the least developed countries (LDC) for supporting their increased food production efforts.

Since 1981, Bangladesh has received about Taka 88 crore from the Japanese Kennedy Round Programme which had been mostly used for expansion of country's shallow tubewell irrigation network, ERD sources said

The Taka six crore Japanese grant will be utilised for rehabilitation of the country's primary and secondary education schools, madrasas and other public institutions affected by flood and natural disasters.

Bangladesh had earlier received similar grants for procurement of C.I. sheets worth about Taka 10 crore 50 lakh in the past.

ERD sources said that Japan stood as 'the largest bilateral donor' for Bangladesh on the basis of annual aid flow. 'She has been playing an important role in the economic development of our country since independence,' they said.

Japanese aid to Bangladesh has grown steadily over the past years with the country's increased official development assistance (ODA) programme.

During the current financial year (1984), Japanese allocation of ODA increased by 9.7 per cent while world ODA nows in real term have shrunk.

With the signing of Saturday's exchange notes, total Japanese grant to Bangladesh would amount to approximately Taka 889 crore since liberation. The figure excludes Japanese credits against different projects and commodity loans which would together amount to over Taka 2370 crore.

CSO: 4600/1317

BANGLADESH

RECORD FOODGRAIN IMPORTS PLANNED FOR 1984-85

Dhaka HOLIDAY in English 11 Jan 85 pp 1, 8

[Article by Hossain Khasru]

[Text] Foodgrain imports in 1984-85, according to the latest disclosure by Food Minister A. G. Mahmood, will be around 29 lakh tons under cash, deferred payment, aid and grant arrangements. In volume terms, this will incidentally be five times more than what the revised Second Five Year Plan (SFYP) projected only in May, 1983 at six lakh tons for the terminal year of the Plan period in 1984-85.

While volume-wise imports will thus now be made in 1984-85 at the highest recorded level (the earlier record import was 28 lakh tons in 1979-80) so far in the country, the value of foodgrain imports under different arrangements and sources will be over Taka 1300 crore this year, exceeding the target in the revised SFYP by more than six times.

With foodgrain imports, both in value and volume terms, being maintained at levels far exceeding the projected ones, the overall Plan objective of achieving the food autarky within the shortest possible time is clearly now as distant as it was the time of launching the Plan in 1979-80. The revised Plan was formulated on the assumption that there would be no need for importing the foodgrains for meeting the consumption needs in the country in 1984-85 when the imports of the same would be meant for only building security buffer stocks. Met availability from domestic supplies was estimated in the plan at 158 lakh tons of foodgrains in 1984-85 compared to about 120 lakh tons in the base year and consumption of foodgrains, calculated on the basis of population growth and increase in per capita real income, was expected to rise to 157 lakh tons in the terminal year of the Plan period.

But, the real situation in 1984-85 is now strikingly quite different than what was envisaged earlier. Out of 29 lakh tons of foodgrains to be imported now in 1984-85, about 12 lakh tons will be kept as operational and security stocks for the next year and the rest 17 lakh tons will be needed for meeting the 'food gap' for the current year. This latest estimate about the foodgrain imports and the availability as operational and security stocks for the next year is again based on the attainment of the production target at 39 lakh tons from a projected coverage of 38 lakh acres under the on-going boro season.

Boro Target

The inputs delivery and supply arrangements particularly relating to boro seeds, irrigation inputs, fertilizer etc, do not provide any optimistic outlook for the boro production target. And any shortfall in production during boro will mean a reduction in the size of availability (out of 29 lakh tons of imports) for operational and security stocks for the next year.

Procurement

The internal procurement operations in 1984-85 have, like the case in 1983-84, failed to attain the target. Against a target of two lakh tons for procurement by the first week of January, 1985 under aman procurement operation, only 22 thousand tons of foodgrains could be procured by the stipulated time. Aman production this year has of late been estimated officially at 78 lakh tons, four lakh tons short of the target set under the post-flood agricultural recovery programme.

Plan Targets

According to an estimate, total imports of foodgrains during the current SFYP period (1980-85) will be about 92 lakh tons against the import requirements of the same period estimated at 64 lakh tons in the revised Plan document. This amply reflects how the plan targets have remained unfulfilled due to failures to provide a stable and sustainable basis for increasing foodgrain output in the country. A rough reckoning suggests that total public sector investments at current prices in agricultural and related irrigation and water resources sub-sector would total over Taka 3300 crore. In addition, private sector investments would also involve more than Taka 1500 crore in current prices in sectors connected with farm, particularly foodcrop, output.

Retail Prices

Meanwhile, the average retail prices of foodgrains have recorded a phenomenal increase over the Plan period. According to the Statistical Yearbook of Bangladesh, an annual publication of the official Bureau of Statistics, the average retail price of medium varieties per maund of rice in Dhaka stood at Taka 230.80 in 1980-81, Taka 283.20 in 1981-82, and Taka 314 in 1982-83. And the same varieties of rice are now sold in Dhaka at Taka 360 per maund. Thus, one seer of medium varieties of rice sells now in Dhaka at Taka nine as against Taka 5.75 in 1980-81. This reflects a 58 percent rise in rice-price over the last four year period.

CSO: 4600/1313

BANGLADESH

OIL PRODUCTION FALLS, GAS OUTPUT RISES IN CURRENT YEAR

Dhaka THE NEW NATION in English 23 Jan 85 p 1

[Article by Syed Badiuzzaman]

[Text] Output of petroleum products in the country declined by 12 per cent in first four months of the current financial year, according to an official estimate.

The estimate showed that the total production during the July-October period stood at 2.61 lakh tons against 2.98 lakh tons in the corresponding period of the previous year.

However, the output of gas in first four months of the current year rose by 14 6 per cent standing at 28,000 m.m. cft against 34,438 m.m. cft [one word illegible] the same period last year.

The reasons for lower output of petroleum products during this period were "frequent shutdown of the refinery for repair and maintenance and interruption in production due to power failure."

It may be mentioned here that in 120 days upto October this year, the Eastern Refinery Limited remained closed for 41 days for repair as against only 15 days in the corresponding period last year.

The government taking note of the current trend of the production of petroleum products has now estimated the total output at 9.50 lakh tons for the financial year 1984-85.

The officials who recently reviewed the position of petroleum products opined that it was more advantageous to import finished petroleum products than processing crude petroleum domestically. Accordingly, higher import of finished products has been envisaged in the revised import programme.

Meanwhile, at the current trend, the total output of gas has been estimated at 84,012 m.m. cft this year. Petro Bangla, however, projected the gas output for 1984-85 at 164,2000 m.m. cft.

CSO: 4600/1331

BANGLADESH

BRIEFS

BORDER KILLINGS REPORTED--RANGPUR Jan. 12--Another two Bangladeshi citizens were killed by Indian Border Security Force (BSF). Of them one Aziz was killed by BSF at Rowmari border near International pillar No. 1052. Illfated Aziz an inhabitant of Ulipur went to a relative's house there. At night he came out of the house and accidentally encroached on Indian territory when a BSF patroll in the area shot him to death. The following morning local people found his body lying inside the neutral zone area. His body was not handed over to his relatives or Bangladeshi authority by BSF. A few days back on Bangladesh citizen was killed by BSF at Patgram border According to eye-witnesses his body was taken away by BSF. Identity of this victim could not be known immediately With this latest killing of two Bangladesh nationals the death toll by Indian BSF firing rises to three. [Text] [Dhaka THE BANGLADESH OBSERVER in English 13 Jan 85 pp 1, 10]

MINISTERS SWORN IN--Four new Ministers were sworn in at a simple ceremony at Bangabhaban on Saturday afternoon reports BSS. The President and Chief Martial Law Administrator Lt. Gen. H. M. Ershad administered the oath of office to the newly appointed Ministers. The new Ministers are: Dr A. Majeed Khan Mr. A R Yusuf Mr. Anisul Islam Mahmud and Dr. T I M Fazle Rabbi Chowdhury. With the inclusion of four new Ministers, the size of the Council of Ministers now stands at eleven The DCMLAS Rear Admiral Sultan Ahmad and Air Vice-Marshal Sultan Mahmud Ministers and high civil and military officers were present on the occasion According to the announcement made by President Ershad in his address to the nation on December 15 no Minister would participate in the forthcoming Parliamentary elections Meanwhile, the President had allocated the following portfolios to the newly appointed Ministers: Dr A. Majeed Khan--Ministry of Planning Mr. A. R. Yusuf--Ministry of Information, Ministry of Law and Justice and the Civil Aviation and Tourism Division of the Ministry of Defence. Mr. Anisul Islam Mahmud--Ministry of Labour and Manpower Mr. T I.M. Fazle Aabbi Chowdhury--Ministry of Land Administration and Land Reforms. [Text] [Dhaka THE BANGLADESH OBSERVER in English 20 Jan 85 p 1]

ACCORD WITH BELGIUM--Bangladesh and Belgium signed here yesterday a draft maritime agreement after four days of negotiations, reports BSS. The agreement was signed by Mr A D Schutter, Minister Plenipotentiary of Belgium and Mr Maqsood Ahmed Chowdhury, Joint Secretary, Ministry of Ports, Shipping and IWT who led their respective delegations at the negotiations. The agreement when finally signed will promote shipping and facilitate trade and commerce between

the two countries. This is the first ever shipping agreement between Bangladesh and a country of Western Europe. [Text] [Dhaka THE NEW NATION in English 23 Jan 85 p 8]

BNP-DUDU TO POLLS--BNP (Dudu) has decided to contest all the 300 parliamentary seats in the ensuing elections. The executive committee of the party which met yesterday, formed a parliamentary board of the party with party chief Khalequzzaman Khan Dudu as its chairman. The meeting fixed February 10 as the last date for submitting applications for party nomination along with a fee of Taka 1000. Scrutiny of the applications will be held and the list of party nominees finalised on February 15. [Text] [Dhaka THE NEW NATION in English 23 Jan 85 p 8]

SOVIET AMBASSADOR'S GREETING--The Soviet ambassador in Bangladesh Mr. V. G. Beliaev has said that friendly cooperation between his country and Bangladesh in various fields would promote better understanding between the two peoples reports BSS. In a statement on the occasion of the 13th anniversary of the establishment of diplomatic ties between Dhaka and Moscow the ambassador recalled USSR-Bangladesh cooperation in the fields of trade commerce art culture science and technology. He said these 13 years had shown that friendly ties and mutually advantageous cooperation were in the interests of both the countries. Mr. Baliaev pointed out that at present there were several hundred Bangladeshi graduate and post-graduate students were studying in the Soviet Union. [Text] [Dhaka THE BANGLADESH OBSERVER in English 27 Jan 85 p 8]

BNP MEMBER SUSPENDED--The chairman of Bangladesh Nationalist Party (BNP) has suspended the primary membership of Choudhury Kamal Ibne Yusuf from the party for his anti-organisational activities. A party press release yesterday said that the decision was taken after the Party Chairman came to know it on enquiry that his activities at Faridpur on January 10 had caused indiscipline in the party rank and file which led to the postponement of Khaleda Zia's scheduled public meeting at local Rajendra College ground. Mujibur Rahman Taru, Secretary of Faridpur BNP has also been warned for not taking appropriate measures to ensure the security of the party chairman while she was in Faridpur on January 10 in connection with holding a public meeting. Kamruzzaman Jasu and Gazi Salahuddin Jangi of Faridpur town have been expelled from the party for anti-organisational activities. [Text] [Dhaka THE NEW NATION in English 29 Jan 85 p 1]

NEW DANISH AMBASSADOR--Mr. Erno Carl Marinus Olsen has been appointed Ambassador of Royal Danish Government of Bangladesh. Mr Olsen will be the first resident Ambassador of Denmark to Bangladesh. [as printed] Born on 4 May 1928, Mr Olsen obtained his M.Sc. degree in economics in 1955. A career diplomat Mr Olsen held various important positions at home and abroad under the Danish ministry of foreign affairs Prior to his present posting, he was head of division Ministry of Foreign Affairs (DANIDA) Copenhagen. [Text] [Dhaka THE BANGLADESH TIMES in English 29 Jan 85 p 3]

CSO: 4600/1335

INDIA

TEXT OF PRESIDENT'S 17 JAN SPEECH TO PARLIAMENT

New Delhi PATRIOT in English 18 Jan 85 p 6

[Text]

Following is the text of President Zail Singh's address to the joint sitting of Parliament on Thursday, report agencies.

Honourable members,

It gives me great pleasure to welcome you to this first session of the eighth Parliament. I felicitate the members of the new Lok Sabha and trust that they will make a significant contribution to the nation's progress.

For India, 1984 was a year of trial and tribulation. But in the midst of sorrow and anguish, there was also hope and strong affirmation of the principles the nation has chosen and cherished.

In the earlier part of 1984, subversive and anti-national elements stepped up their activities in Punjab. The process of dialogue was frustrated. A serious threat to the unity and integrity of the country was posed by extremists and terrorists. The Army had to be called in aid of civil authorities. The series of events which compelled the Government to use the Army to deal with the threat to India's unity and integrity have been chronicled in the white paper issued on 10 July, 1984.

On 31 October, 1984, our beloved leader and Prime Minister Indira Gandhi was assassinated in an act of perfidy.

A commission of inquiry headed by Justice M P Thakkar has been appointed to enquire into the facts and circumstances leading to the assassination.

Indira Gandhi has joined the ranks of the immortals of world history. The saga of her life will inspire generations to come. Every moment of her life was devoted to the consolidation of the unity of India and to

the strengthening of the Indian people in all spheres. No memorials can fully capture the magnificence and radiance of her personality. The best homage that we can pay to her memory is to follow the path she illumined till her last breath.

Stern action

Disturbances and violence in Delhi and in some other parts of the country, following Indira Gandhi's assassination, resulted in loss of life and property. Stern and effective action was taken to control the situation within the shortest possible time. My Government extend their deepest sympathy to the families which suffered during the violence. Rehabilitation of the affected persons is a priority task to which both the central and the state governments are attending with a sense of urgency.

Government express their deepest sympathy with those families which were victims of the gas tragedy in Bhopal. Rehabilitation of families which have lost their breadwinners is being attended to. Action is also being taken to secure compensation for the affected families. Government is undertaking a thorough examination of the location policy and safety measures of industrial establishments with a view to preventing the recurrence of such disasters.

The maturity and strength of India's democratic system were demonstrated by the smooth and orderly election of Shri Rajiv Gandhi as the new leader of the Congress-I Parliamentary party. Elections to the Lok Sabha were promptly called. The fair and peaceful manner in which they were held is a tribute to the democratic genius of our

people.

The elections of 1984 mark the resurgence of Indian nationalism, transcending all barriers of community, caste and region. The unprecedented mandate received by the ruling party under the leadership of Shri Rajiv Gandhi shows the overwhelming concern of our people for the unity and integrity of the nation and their desire for a strong and stable government at the Centre.

The unambiguous verdict of the people is also for continuity of the basic policies which have given strength to our country with dynamic responses to changing situations.

The economy has made significant progress during the last five years. The average growth rate in the sixth Plan period is likely to hit the target level of 5.2 per cent. Foodgrains production rose from 109.7 million tonnes in 1979-80 to 151.5 million tonnes in 1983-84, exceeding the year's target by as much as 9.5 million tonnes. Agricultural production in the current year is expected to maintain its buoyancy. The enterprise and hard work of our farmers and agricultural workers have written a new chapter of high achievement of which all of us can be proud. The most noteworthy feature of the acceleration in agricultural growth is the spread of the green revolution to the eastern and the central regions of the country.

Industrial growth

Industrial production during the sixth five year Plan has also recorded an increase of nearly 24 per cent up to 1983-84. In the first six months of the year a growth rate of over 7 per cent has been recorded. This will give a strong thrust to the economy. The working class, in accordance with its traditions, has made a notable contribution to the increase in production.

There has been a remarkable improvement in the performance of infrastructural industries during the sixth Plan period. By the end of 1983-84 coal production had increased by 32.9 per cent and electricity generation by 32.6 per cent.

Production of crude petroleum had registered a growth of 121 per cent. Production of fertilizers and cement have also registered increase of 52.3 per cent and 53.6 per cent respectively. During the current year these sectors have registered further growth.

The price situation has shown considerable improvement. During the current year till the end of December 1984, the wholesale prices rose by only 4.8 per cent as against 7.7 per cent in the corresponding period of 1983. The annual rate of inflation as at the end of December 1984 was 5.4 per cent as against 10.7 per cent at the end of December 1983.

The success in containing inflationary pressures was due to the efficient management of the demand and supply position. Efforts were made to check the pace of monetary expansion and also to restrain government expenditure. On the supply side a number of initiatives were taken to increase availability of essential commodities. Larger production in response to government policies of providing remunerative prices and of supply of key inputs, adequate imports of essential commodities wherever needed and the building up of large buffer stocks of foodgrains have helped in this process. The public distribution system has played a key role in maintaining price stability.

The external payments position has continued to improve. It may be recalled that the government had voluntarily given up the balance part of the SDR 5 billion available under the IMF arrangement after drawing only SDR 3.9 billion. The reserves position has since been further strengthened. Foreign exchange reserves increased from Rs 4265 crore at the end of 1982-83 to Rs 5498 crore at the end of 1983-84. They increased further to Rs 6250 crore at the end of December 1984. However, this is an area in which there can be no room for complacency.

20-point programme: Through the 20-point programme, vigorous efforts continued to be made for the alleviation of poverty. In the first four years of the sixth five year Plan, the integrated rural development programme covered 4.7 million families belonging to the scheduled castes and scheduled tribes and 7.9 million families of economically weaker sections comprising various other communities. This, together with an additional 19.45 lakh families covered during the current year up to November 1984, bring the total number of families covered under the programme to 14.5 million. The National Rural Employment

Programme (NREP) and the Kural Landless Employment Guarantee Programme (KLEGP) have substantially expanded employment opportunities for the rural poor. In implementing these programmes special emphasis has been given to benefiting women and minorities.

Under the rural drinking water supply programme, out of 2.31 lakh problem villages 1.52 lakhs had been covered till 31 March, 1984. During 1984-85, nearly 42,000 more villages will have been covered.

Additional irrigation potential of 11.5 million hectares is expected to be created during the sixth Plan. The total irrigation potential of the country by the end of the sixth Plan is expected to be of the order of 66 million hectares against the ultimate potential of 113 million hectares. The multi-purpose development of Narmada valley has been taken up.

The all around progress of the economy in the sixth Plan testifies to the soundness of the strategy of planned development and is a tribute to the dynamic leadership provided by Shrimati Indira Gandhi. Government are now formulating the seventh five year Plan in the light of the approach paper. The priorities in the seventh Plan were summed up by Shrimati Indira Gandhi as 'food, work and productivity.' The country has now to make disciplined and vigorous efforts to reach a higher stage of development in which the imperatives of technological advances and social justice reinforce each other.

The new government have inherited a coherent and principled foreign policy from Jawaharlal Nehru and Indira Gandhi. The continuity and wide acceptance of our foreign policy rests on our firm adherence to the principles and purposes of the United Nations charter, commitment of non-alignment and stout opposition to colonialism, old and new, and racial discrimination.

As Chairman of the Non-aligned Movement, India has worked together with other nations to build a just world order and helped to reduce tensions and resolve conflicts between member states. The single most important challenge today is the threat of nuclear war. Last year, leaders of Argentina, Greece, Mexico, Sweden, Tanzania and India collectively called upon the nuclear-weapon states to declare a nuclear freeze and to substantially reduce

nuclear stockpiles. In a few days from now, the leaders of these six countries will meet in New Delhi to consider what further action they can take to contain the nuclear peril.

Global arms talks:

We welcome the resumption of talks in Geneva between the USA and the USSR and hope that they would lead to meaningful disarmament measures.

Government attach high priority to developing close relations with all our neighbors. We are keen to see progress in the South

We welcome the increasing co-operation in economic, scientific, cultural and educational fields with the United States of America.

We have noted with satisfaction the uninterrupted development of our bilateral relations with countries of West Asia, South-East Asia, and the Pacific region, East Asia, Africa, Western Europe, Central and South America and the Caribbeans.

We are distressed at the unprecedented drought and famine in parts of Africa. We have contributed 1,00,000 tonnes of wheat for famine relief and have offered medical help. The world community must come to the aid of the African nations in distress.

During the past year, I paid state visit to Argentina, Mexico, Mauritius, the People's Democratic Republic of Yemen and the Yemen Arab Republic. The late Prime Minister visited the USSR, Libya and Tunisia. We also had the privilege to host visits by the King of Bhutan, the Amir of Qatar, the Presidents of Sri Lanka and Yugoslavia, the Federal Chancellor of Austria, the prime ministers of Czechoslovakia, Japan, New Zealand and Vanuatu, the secretary general of the Communist Party of Vietnam and the chairman of the Burma Socialist Programme Party. All the exchanges have helped in further promoting friendly ties and cooperation between India and these countries. Leaders of 102 countries were in New Delhi in early November to attend the funeral of Shrimati Indira Gandhi, bring-

ing to us the sympathy of their peoples in our hour of sorrow.

Optimistic future:

I now turn to future tasks. The Prime Minister has already expressed government's determination to find solution to the problems in Punjab and Assam.

Government are committed to a clean public life. They intend to initiate wide-ranging discussions on electoral reforms with political parties and would welcome their cooperation.

In consonance with the objective of a healthy political system, government intend to bring forward in this session of Parliament an anti-defection bill.

Government will pursue vigorously the reforms of the administrative system in order to make it more efficient and responsive to the people's needs and aspirations.

Textile industry is in a poor state of health and this problem needs immediate attention. Government will formulate and announce a new policy for the industry.

Comprehensive reforms will be introduced in the educational system and a new national education policy will be formulated.

Our judicial system has an important role in upholding the Constitution and in protecting the fundamental rights of the people. Some aspects need attention. The under-privileged sections of society must have easier access to judicial remedies. Speedier justice has to be ensured. Government intends to introduce measures for fulfilling these objectives.

Government will accord high priority to the social, economic and cultural development of women. An important step in this direction will be the provision of free education for girls up to the end of higher secondary stage. Government will frame a new national programme for women. In both the formulation and implementation of this programme, voluntary organisations will have an important role.

Year of youth:

1985 is being observed as the year of youth. Our youth have already shown great promise in promoting national integration, undertaking social work and achieving excellence in all fields of human endeavour. The need of the hour is to let the youth come forward to participate enthusiastically in nation-building. Appropriate programmes in this regard will be implemented.

Government have constituted a separate department of forests and wild life in recognition of the vitally important national task of conserving and developing our forest wealth. A new forest policy will be announced soon. A waste land development board is being set up to give new impetus to afforestation as a people's movement. Steps are being taken to deal effectively with the problems of air and water pollution.

My government is establishing a Central Ganga Authority to stop the pollution of the Ganga. This is no ordinary river. With it are bound long memories of our past, our song and poetry and our search for truth. A cleaner Ganga is thus a matter of the deepest satisfaction of our people.

Government attach high importance to the preservation of our cultural heritage. Equal importance will be given to promotion of creativity in the arts. Encouragement of science and technology and the application of scientific knowledge for solving the problems of the people will continue to receive high priority.

These are some of the priorities of national effort. Our duty as representatives of the people is to canalise the tremendous upsurge among the masses into cooperative and disciplined endeavour to accelerate development and to prepare the country for the 21st century. I wish you success in this great and exciting task.

Jai Hind.

INDIA

SOVIET LEADER PRAISES INDIA IN UNI INTERVIEW

New Delhi PATRIOT in English 18 Jan 85 p 7

[Text] **Moscow, Jan 17 (UNI)** — Economic achievements and the policy of non-alignment enunciated by Jawaharlal Nehru have made India a powerful force in contemporary international relations.

This was stated by Soviet Deputy Prime Minister V Dymshits in an exclusive interview to UNI here yesterday.

Noting that the late Mrs Indira Gandhi was a votary of her father's policy, the Soviet leader appreciated the balanced approach Indian leaders are adopting to seek political solution of the 'critical situation in South Asia'.

India's friendship with the Soviet Union, inaugurated by Jawaharlal Nehru, was disliked by 'reactionary and imperialist' forces which had resulted in Mrs Gandhi's assassination.

A sagacious leader, Jawaharlal Nehru highly valued the fact that the Soviet Union stood for cooperation between the countries on the basis of equality and mutual respect, Mr Dymshits said.

He further noted Mrs Indira Gandhi's contribution to the policy of non-alignment as set out by Jawaharlal Nehru. Following the footsteps of her father, she actively worked for raising the status of the Non-Aligned Movement during the last years of her life as its chairperson, Mr Dymshits said.

He dwelt in detail on the role of Mrs Indira Gandhi in propagating peace which had earned her tremendous respect and gratitude.

Mr Dymshits recalled the shock felt by the Soviet people over the 'dastardly' assassination

of the great Indian leader.

He said strengthening of the economic potential of India, its growing prestige and authority in the world and its warm and friendly relations with the Soviet Union were invoking the hatred of imperialist forces and reactionary elements inside and outside the country.

He said these forces had, particularly after the seventh NAM conference in Delhi, increased their subversive activities against India.

Mrs Gandhi had dedicated her life to the cause of peace and happiness and prosperity of all.

Congratulating the Indian people on the occasion of the thirty fifth anniversary of the republic, Mr Dymshits spoke of multifaceted Indo-Soviet economic cooperation with which he has been closely linked.

He said that besides more than 80 projects which have been commissioned or were to be commissioned in India with Soviet collaboration, India has become a major trade partner of the USSR during the last 10 years with the trade turnover having increased four fold.

Mr Dymshits, noted that economic relations of two countries stood on a firm and long range basis and were making headway in accordance with mutually designed plans and projects.

In this connection he made a special reference to the 30th anniversary of the Indo-Soviet economic cooperation falling on 2 February this year.

CSO: 4600/1340

INDIA

KASHMIR LEADER DEMANDS REVIEW OF INDUS WATERS PACT

New Delhi PATRIOT in English 18 Jan 85 p 6

[Text]

Jammu, Jan 17—Jammu and Kashmir Chief Minister G M Shah has demanded a review of the Indus Waters Treaty with Pakistan on the ground that the existing terms had been impeding utilisation of water resources in the State.

Inaugurating commercial sale of locally-manufactured solar cookers here yesterday, Mr Shah pointed out that the State had been suffering badly on account of its inability to harness the hydro-electric potential from the Chenab and Jhelum rivers. The potential of hydro power in the State was estimated at over 10,000 mw but only a small fraction of it (just over 200 megawatts) was being actually generated, he added.

The Chief Minister said that the State was unable to construct a reservoir barrage on the Jhelum in order to ensure constant water supply to its power projects.

The Indus Waters Treaty for distribution of river waters between the two countries precluded consolidation of States urgently needed power resources. Unless the treaty was reviewed the State would continue to suffer for want of power despite its enormous potential to generate hydro-electric energy, Mr Shah pointed out.

He said that he would shortly request the Central Government to take up the matter with Pakistan and seek review of the treaty which, he claimed, was concluded in disregard to the genuine needs of the State.

It may be recalled that Mr Shah has been voicing this demand for quite some time. He had raised it on the floor of the State Assembly during Sheikh Abdullah's regime when Mr Shah held the Power portfolio. He reiterated that power projects al-

ready commissioned or under construction on the Jhelum and Chenab rivers in the State, were handicapped by the disability inflicted upon their scope under terms and conditions of the Indus Waters Treaty. The treaty forbids storage of water to overcome seasonal short-fall in river discharge during winter months. As a result of this, the Lower Jhelum Project, the largest power producing unit in the State generates only one-fourths of its normal generation due to these difficulties.

Assembly byelection: PTI adds: Meanwhile, Jammu and Kashmir PCC-I president Mufti Mohammad Sayed is the "unanimous choice" of the State CLP-I as the nominee for the by-election to Ranbir Singh Pora Assembly seat in Jammu region, a party spokesman said here today.

The CLP-I met here yesterday and all the members present requested Mufti to contest the seat on behalf of the party, the spokesman said. The seat fell vacant after Mr Janak Raj, who represented the constituency in the Assembly, was elected to the Lok Sabha on Congress-I ticket.

Mirwaiz denies charges: A report from New Delhi adds: Mirwaiz Maulana Mohd Farooq, chairman of the Jammu and Kashmir Awami Action Committee described as "concocted and baseless" allegation of indulging in anti-national activities levelled against him in the white paper published by the State Government recently.

He said that he had always played a constructive role in the State politics and that the State authorities, including Mr Shah, were well aware of it. He also called for the dismissal of the State Govern-

ment 'in view of its failure at the hustings' in the Lok Sabha election.

Calling for a reappraisal of the Centre's policy towards the sensitive border State, he said that the ruling party at the Centre should seek cooperation from all sections in the State for creating "a peaceful and conducive atmosphere."

Though favouring the continuance of his party's alliance with the National Conference (Farooq) faction, he however, ruled out the possibility of the merger of his party with Dr Abdullah's party.

He also disclosed that though his party supported the former Chief Minister on certain policies in regard to the larger interest of the State, the support was not blanket. "If it serves the interests of the people of the State", Maulavi Farooq said, "we support National Conference (Farooq) faction". But asserted, "we do not support politics of personal interest". He said the parliamentary election in the State were by and large "free and fair".

CSO: 4600/1340

IRAN

LAND FOR HOSPITALS, LEARNING ENVIRONMENT GIVEN PRIORITY

Tehran KEYHAN in Persian 28 Jan 85 p 17

[Text] Zahedan - KEYHAN correspondent - Eng Kazeruni, the minister of housing and urban development, accompanied by that ministry's acting deputy and the managing director of the Urban Land Organization and directors of the Tripowers Construction Plans Offices, has taken a trip to Sistan va Baluchestan. As his trip continued he was accompanied by Nasri, the governor-general of Sistan va Baluchestan, Majd-Ara, deputy minister of interior for development, Eng Jahanbakhsh, the governor-general's developmental deputy, and a group of officials from the province's executive agencies. Kazeruni traveled to the Zabol city-region and met with Hojjat ol-Eslam Bayani, the city-region's Friday prayer leader. Then he and his companions participated in a meeting of the Urban Expansion and Regulation Komiteh for the city-region.

In the meeting Zabol's mayor gave a speech in which he pointed to the region's area and territorial situation and spoke of existing problems, including the lack of city sewers. Then brother Kazeruni, the minister of housing and urban development, gave a speech in which he pointed to Zabol's city sewage problem, the flatness of the region, the creation of artificial lakes in order to collect city water, and the creation of artificial slopes in order to drain water out of the city. He then presented basic solutions.

At the end of the meeting Hojjat ol-Eslam Bayani, Zabol's Friday prayer leader, spoke about the uncontrolled migration of villagers to the cities.

According to the report received, the minister of housing and urban development also traveled to the Iranshahr city-region accompanied by his companions and participated in a meeting of the province's governors and mayors at Iranshahr's governor's office. At the beginning of the meeting the governors and mayors raised issues and problems in their jurisdictions. Then the Minister of Housing and Urban Development spoke about the migration of villagers and the government's capital investment to prevent this situation.

Then Majd-Ara, deputy minister of interior for development, answered questions concerning the issues and problems of the province's governors and mayors.

In a portion of his speech he stated: In order to eliminate a portion of the mayoralities' problems, a credit of 10 million tuman was recently given gratuitously to the governor-general to be distributed among the province's mayoralities.

The Deputy Minister of Interior for Development added: So far we have succeeded in supplying the province's Supply Komiteh with heavy equipment such as mechanical shovels, bulldozers, hand rollers, loaders, and cranes.

This report indicates that the Minister of Housing and Urban Development continued his trip with an inspection of the Khash city-region and took part in a session of the city's Administrative Council.

In this meeting, while pointing out that we should not expect the housing problem to be solved in the short-term, he stressed the efforts of the officials in the executive agencies of the provinces, and added: Residential housing should not be constructed in one special form, but instead should be appropriate to each region's culture. He added: The planning that has been done has given priority to supplying land for the construction of hospitals and the building of the necessary educational environments throughout the country.

9597

CSO: 4640/354

IRAN

OFFICIALS MUST SYMPATHIZE, MEET PEOPLE'S NEEDS CORRECTLY

Tehran KEYHAN in Persian 29 Jan 85 p 3

[Text] Qom - Yesterday the Friday Prayer Leaders of the Chahar Mahall va Bakhtiari met with Ayatollah al-O'zama Montazeri, accompanied by the governor-general, the governor and other officials from the provinces, organs and institutions.

In the meeting Montazeri commended them and then gave a speech in which he pointed to the importance of the various responsibilities that have been created for Islam and the revolution in these circumstances, and stressed: Today, when the East and West have united against Islam and the revolution and are putting all their efforts into sabotaging the revolution's progress at home and abroad, the duty of all of us is exceedingly heavy. While we familiarize our self-sacrificing people with the problems arising from Islam's enemies, we must meet the needs of the people as far as we can through the correct and ethical treatment that Islam recommends. We must try not to delay the people in the offices of organizations and send them back for this and that. In answering those contacting us we should not say that so-and-so is in a meeting or a conference, but instead try to become intimately acquainted with their problems and desires and make the greatest possible effort to eliminate their problems. And if we lack the power we should at least sympathize with the people. Ayatollah al-O'zama Montazeri then pointed to the natural resources of Chahar Mahall va Bakhtiari Province while stressing the agricultural self-sufficiency possible due to the great capital of land and water in provinces like that of Chahar Mahall va Bakhtiari. He asked officials of that province to give increased attention in every way to the issue of agriculture and stock raising so that, God willing, we can soon eliminate our needs to import from abroad.

According to the same report, during the past two days the following persons have separately met and spoken with Ayatollah al-O'zama Montazeri: Hojjaj ol-Eslan Haj Sheykh 'Abbas'ali Rohani, Esfahan's temporary Friday prayer leaders, and Gharavi and 'Aliyari of Tehran's struggling clergy, Qodusi, the representative of Ayatollah al-O'zama Montazeri at the University of Science and Industry, Ebn ol-Reza, head of the Khansar Theological School and

Andimeshk's Friday prayer leader, the Majlis representatives from Babolsar and Bandpey, Tafresh and Ashtian, and the clerical society from Behsahr and environs accompanied by several judges from the city-region. In the meeting the sum of 2 million rials donated by the citizens of Behshahr were turned over to Montazeri by the city-region's clerical society as assistance to the fronts of the imposed war.

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CSO: 4640/354

IRAN

ISLAMIC SOCIETIES' ACTIVITIES TO BE DEFINED

Tehran KEYHAN in Persian 28 Jan 85 p 3

[Text] In a meeting of governors-general's political deputies from across the nation, Hojjat ol-Eslam Nateq-Nuri said: That portion of the Parties Law which relates to the activities of Islamic societies will be announced at the end of February.

The three-day meeting of governors-general's political deputies from across the country began this morning at the Ministry of Interior. Those present included Hojjat ol-Eslam Nateq-Nuri, the minister of interior, Akhundi, political deputy from the Ministry of Interior, and governors-general's political deputies from across the country.

In the first session of this meeting Hojjat ol-Eslam Nateq-Nuri, the minister of interior, pointed to the vast planning by world arrogance to destroy the Islamic revolution by means of distributing drugs, and said: The spread of drugs throughout society is not a natural matter. In order to destroy the Islamic revolution the enemy has invested a great amount of capital and now the problem of heroin and the discovery of heroin in our society appears on a vast scale.

As he continued his speech he said: Because of its inability in the imposed war, the enemy is endeavoring to spread addiction in society. This plot must be dealt with judicially and militarily to the greatest extent possible.

The minister of interior then pointed to another plot by world arrogance endeavoring to spread social corruption, and said: The way that a number of society's members wear clothes and dress up cannot even be compared with that of two years ago.

He then noted the necessity of culturally confronting social corruption and in another portion of his speech said: Another problem that is being talked about these days is that of administrative corruption. Favoritism and nepotism in employment has begun again. Recently several high-ranking persons were arrested in this connection. At the end of his speech Hojjat ol-Eslam Nateq-Nuri pointed to the Parties Law and said: The Parties Law includes four sections: Islamic societies, parties and political groups, trade unions

and religious minorities. Since the Islamic societies have the greatest population and spectrum, the nature of their activities will be specified at the end of February.

He added: Executive regulations pertaining to the activity of trade unions is also under examination in the cabinet.

According to this report, the three-day meeting studied the Parties Law and examined ways of getting to the roots of social corruption. In addition there was an exchange of views on the plan for a regional political identity card and the Councils' Law.

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CSO: 4640/354

IRAN

INTEREST-FREE BANKING SAID INCREASING PUBLIC CONFIDENCE

Tehran SORUSH in Persian No 274 26 Jan 85 pp 4-5, 43

[Text] The ratification and implementation of the law for interest-free banking is undoubtedly one of the most important economic changes since the Islamic revolution in Iran. In order to take a general look at this law, its implementation process and its outcome in the past eight months, we decided to devote a note on the economic events in this week's issue of SORUSH to an examination of this issue.

It was discussed that the ratification and implementation of the law for interest-free banking is one of the important economic changes since the Islamic revolution in Iran. This is a fact, because the prohibition of usury is a principle in the Islamic economy. Without resolving this problem, no change in the economy which deals with money and credit can be based on Islamic standards and problem free. Here, we do not want to discuss the destructive and subjugating effects of usury, but what is important is the operational procedure of the banks, which must eliminate usury from their operational system. A solution to this problem can be called a change in the economy.

The government controlled British radio, despite its constant poisonous propaganda against the Islamic Republic aimed at disrupting the economic activities of Iran and presenting a false and weak picture of the economy of our country, after the passage of several months since the implementation of the new banking system, has finally been forced to mention it has a major change and to confess that there has been an increase in deposits since the implementation of this law. Here, it is appropriate to quote the statement of the honorable speaker of the Majlis, who emphasized: The interest-free banking law is one of the most important laws ratified by the Majlis in its first legislative term and its results will be known in the future.

The new banking system is not only important because of the elimination of usury, but also because it has caused the banks to act under a central supervision and within the framework of

credit policies devised by the Central Bank of the Islamic Republic of Iran in their economic activities.

Before discussing the operations of the interest-free banking law, it is necessary to take a brief look at the law itself. According to the interest-free banking law, which was ratified by the Majlis during the period 23 August-22 September 1983, the goals of the banking system of the Islamic Republic of Iran briefly are the establishment of a monetary and credit system based on justice and equity (based on Islamic precepts); engaging in activities to materialize the goals, policies and economic programs of the government; creating the necessary facilities to expand general cooperation and interest-free loans through the absorption and attraction of private funds, savings, and deposits and mobilizing them to provide the conditions and resources for work and investment towards the implementation of Paragraphs 2 and 9 of Article 43 of the Constitution; protecting the value of money and balancing payments; facilitating commercial exchanges; and, finally, facilitating payments, collections, trade, transactions and other services which have been conferred on the banks in accordance with the law. Among the numerous duties which, in accordance with this law, have been conferred on the banking system are the opening of various kinds of interest-free loan (checking and savings) accounts and long-term investment deposits, as well as granting interest-free loans and credit and granting other loans, credits and banking services to legal cooperatives in materializing Paragraph 2 of Article 43 of the Constitution, duties which are of special importance and are pivotal to the changes in the national banking system. According to this law, banks may accept deposits as interest-free loans (checking and savings) and long-term investment deposits. The banks have the option to use long-term investment deposits in partnerships, limited partnerships, leasing with the option to buy, installment transactions, farm leasing contracts, sharecropping, direct investments, and pre-purchase or pre-sale transactions. The profits obtained from such operations shall be divided on the basis of contracts in proportion to the period and amounts of investment deposits, with consideration for the share of the bank resources in proportion to the period and amount of the total funds used in these operations. Also, in order to encourage the people to make interest-free loan deposits, it has been decided that banks will grant depositors unspecified cash or material prizes for the deposit. In regards to the preparation of the bill concerning interest-free banking operations, Mr Vahaji, deputy director of the Central Bank of the Islamic Republic of Iran, said: The preparation of this bill began during the period 21 March 1981-20 March 1982. At that time, the monetary and credit council, after 14 official sessions lasting about 3 months, benefitting from the views of religious jurists and banking and economic affairs experts and in the presence of the representative of the Council of Guardians, was able to

prepare this bill within the framework of the religious standards and to present it to the government. The government presented the interest-free banking bill to the Majlis in mid-spring of 1982. Concerning the action of the Central Bank before the final ratification of the interest-free banking bill in the Majlis, he said: Before the ratification of the bill, the Central Bank took steps in three areas. One was the preparation of a set of bylaws as a tool for the task of the employees of the new banking system; second, the training of bank employees; and third, propaganda to establish the necessary grounds to implement it. In regards to training, with the cooperation of one of the clerics of the Islamic propaganda organization and with 200 instructors, we were able to provide preliminary training for 22,000 bank employees and to familiarize them with the terminology of religious contracts. Simultaneously, the preparation of temporary bylaws in the course of two complementary training courses, which provided the technical training for the employees to implement the new system, was carried out and about 33 percent of the bank employees who were to deal with such contracts directly or indirectly were given the necessary training. In regards to propaganda, as well, we held more than 70 seminars in various provinces to gain the support of the provincial officials to better implement the law as well as attract customers and businessmen to the new banking system. In the course of these seminars, various committees in connection with the problems that the employees of these banks faced were held and various issues were discussed. On the whole, the necessary background for the implementation of the above-mentioned law was created. Also, the monetary and credit council gave authority to the Central Bank to carry out this task prior to the ratification of the bill by the Majlis on a trial basis, so that by March 1984, about 300 billion rials worth of transactions had been carried out on the basis of the new system, on a trial basis. They were highly profitable and the windows of success were apparent in these trial transactions. In any case, the interest-free banking law was ratified by the Majlis in late summer of 1983, approved by the Council of Guardians and was sent to the Central Bank. According to one of the notes of this law, the Central Bank was made responsible by the Cabinet. Since the Central Bank had already made the necessary preparations, it had the necessary readiness. Hence, before the deadline, it presented the bylaws to the Cabinet. In late winter of 1984, the bylaws of the above-mentioned law were announced to the Central Bank and from March 1984, it began to be implemented.

Before we discuss the operation of interest-free banking in the first eight months of the year (for which we have the statistics available), it should be pointed out that before the ratification and implementation of this law, some considered it completely unworkable and believed that the implementation of an interest-free banking system was impossible or that it would have little

chance of success. But its implementation, showed in the very early months, that this type of thinking is not supported; in practice, the new system rapidly became operational and made significant progress. The new banking system and its successes was for the first time discussed by the deputy director of the Central Bank in this year's session of the international monetary fund and made a significant impact on this assembly. Another important point is that in the course of the preparation of the interest-free banking bill, various Islamic countries, including Pakistan, Turkey, Sudan, and Bangladesh, have engaged in establishing Islamic banks, which shows the effect of this bill on the Islamic countries and their efforts not to be left behind by the Islamic Republic of Iran.

The operation of the new banking system in the Islamic Republic of Iran shows the significant response of the people to this law and its rapid progress. According to available statistics, total savings in various forms in the banks of the country in mid-fall 1984 reached more than 5,700 billion rials, which, compared to early spring of 1984 (that is, the start of the new banking system), shows a growth of about 8.5 percent. Concerning the operation of the banks in the country in mobilizing the monetary resources, the deputy director of the Central Bank of the Islamic Republic of Iran said: Temporary deposits (checking accounts) in mid-fall of 1984 reached 2,343,093 million rials, which, compared to early fall of 1984, showed an increase of 9.9 percent. Also, the level of long-term investment deposits, which are the sources for Islamic contracts, increased by 3.2 percent this month compared to the previous month (early fall [23 September-22 October]) and reached 1,241,345 million rials. Considering 273,469 billion rials, the interest-free loan deposits in mid-fall of this year, the total deposits amounting to more than 5,700 billion rials, showing an increase of 2.9 percent compared to the previous month and 8.5 percent compared to early spring of 1984. Concerning the use of these resources by the banks in the first eight months of this year, the deputy director of the Central Bank said: Islamic contracts with the private sector in mid-fall of 1984 reached 43,942 million rials, which, compared to the previous month shows an increase of 20.8 percent. He added: Most of the amount, that is, 154,140 million rials, belongs to installment sales, part of which concerns the banks' procurement of machinery and raw materials needed for production activities and sold to the owners of those activities. Another part of the installment sales concerns housing provisions. Also, the amount of 75,244 million rials of the total Islamic contracts in mid-fall were in limited partnerships (commercial activities). Another important figure is 72,964 million rials, which involves the legal partnership of banks. He said: The level of paid interest-free loans in the eighth month of the year is 69,426 million rials, which, with a 1 percent service charge, has been put at the disposal of 3 groups of people: first, those who are

specialized and want to have activities but do not have the resources; second, for aid to industrial agricultural and animal husbandry projects to increase production and output; third, to eliminate the vital needs of individuals, such as marriage, providing dowries, treatment of illnesses, and so on. He added: The above-mentioned cases are from Paragraphs 2 and 9 of Article 43 of the Constitution, the implementation of which is one of the goals of the Islamic Republic banking system. Considering the available figures, nearly 70 percent of the total deposits of the people in the banks of the country are on the basis of the new system and the remaining 30 percent must also be changed to the new system by late winter of 1984 and starting on 21 March 1985, all the banks of the country will be operating on the basis of the new system.

In short, if we want to enumerate the characteristics of the interest-free banking law, we can mention the following as the important gains of this law.

The elimination of usury and the observation of Islamic standards in the banking system of the country, which is one of its most important characteristics.

Banks do not grant loans and credit independently and on their own authority, but within the framework of the credit policies determined by the Central Bank of the Islamic Republic, in which the share of each one of the industrial, agricultural and commercial sectors have been determined. In implementing Paragraph 9 of Article 43 of the Constitution, the payment of interest-free loans to needy individuals is made possible and with the increased number of interest-free loan deposits, the possibility for eliminating the needs of the deprived people and the needs of our country will increase.

Cooperatives are strengthened because providing the conditions and resources for work and investment to implement Paragraph 2 of Article 43 of the Constitution has been declared as a goal of the new banking system, which is for the expansion of public cooperatives.

Another characteristic of the new banking system is the elimination of middlemen, the banks becoming directly involved.

The new banking system will result in the expansion of various industrial, agricultural and commercial activities and will result in the thriving of the economy.

And finally, it will result in the general trust in the national banking system on the part of the people and the significant increase in the people's deposits.

IRAN

FOUNDATION URGED TO INCREASE PRODUCTION, INCOME

Tehran BURS in Persian 23 Jan 85 pp 1-2

[Text] In a seminar on the preparation and regulation of the budget for the Foundation for the Oppressed for the period 21 March 1985-20 March 1986, Dr Banki, the head of the Plan and Budget Organization, said in connection with the importance of planning in the Foundation for the Oppressed: This Foundation is the only organization of its kind in the world, and it requires extensive designing and planning in regards to clarifying the existing situation and future works in order to better advance its goals and duties. He continued. I believe that rather than stressing spot aid, the Foundation must spend all of its energy on production in order to increase the revenues of the society, whereby all strata will be helped.

He added: You must make plans with a specific aim in mind, and the size and complexity of the Foundation must not result in its policies being different from those of the government. Dr Banki also said: The Foundation for the Oppressed, whose direction is to serve the underprivileged and low-income classes, must make itself strong and in this connection, long-term planning can be very effective. Planning must not be considered a momentary action, because planning is a current and movement that is done today and is gradually improved until it achieves excellence and pursues high aims.

Pointing out that in planning, attention must be paid to education and creation of a culture which believes in education, he referred to the formation of the statistics and information system in the Foundation for the Oppressed and said: This system must be discussed in ideal terms; the tools of the program are statistics and education. If you want to have a program, you must pay attention to these two factors.

He asked the experts of the Plan and Budget Organization to help the Foundation for the Oppressed in this connection.

Emphasizing that the Foundation for the Oppressed must also pay sufficient attention to production, in conclusion, the head of the Plan and Budget Organization referred to the situation of the domestic gross national product in the past years and said: The domestic gross national product, which had decreased up to the period 21 March 1980-20 March 1981, increased by 15.1 percent during the same period in 1982-83 compared to the 1981-82 period and 12.4 percent in the 1983-84 period compared to the 1982-83 period.

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CSO: 4640/364

IRAN

RAFSANJANI URGES FOUNDATION INVOLVEMENT IN ECONOMIC ENDEAVORS

Tehran BURS in Persian 24 Jan 85 pp 1, 4

[Text] The heads and supervisors of the provincial centers of the Foundation for the Oppressed, along with a group of the experts of the Plan and Budget Organization, met with Hojjat ol-Eslam Hashemi-Rafsanjani. In this meeting, the speaker of the Majlis said in a detailed speech: In regulating the affairs of the Foundation for the Oppressed, many individuals work hard to complete this important and necessary task by making proper use of the existing resources of the Foundation and in conformity with the realistic expectations of the leader of the revolution. Naturally, one of the initiatives of the Islamic revolution was to take back the plundered property of the people from the usurpers of the regime and centralize it in an organization. Although not all the property was centralized in the Foundation and some of it is at the disposal of other foundations and ministries, the intentions of the people are concentrated in the Foundation for the Oppressed. Some thought that the Foundation for the Oppressed had been established to distribute the existing property immediately among the oppressed and, therefore, had some hasty expectations, wanting land, money, factories and whatever else to be given to the people. Such expectations arose because of the fact that the people did not have the necessary knowledge of the work of the Foundation and the mass media did not offer sufficient explanation in this regard. When the property and resources of the Foundation for the Oppressed was in the hands of the well-to-do, on the whole, it relied on the banks and ministries and was given many concessions and subsidies by the government. For instance, if the property was land, they were granted concessions to dig wells and procure the necessary tools for production and procure loans for factories. Therefore, all was based on the misuse of government resources. Until some time before the victory of the revolution, when the owners of these properties felt danger and thought of ways to drain the collateral of this property, they either mortgaged it and took loans or created problems in places where government involvement would become necessary, and where they incurred a great deal of debt for anyone who would take over such property.

Mr Hashemi said: The important point is that these plunderers thought this was an island of stability. They had turned a great deal of money into valuable items, factories and real estate. If we evaluate the actions in the first year of the revolution in taking such property from the well-to-do, we can see that a great task was accomplished.

Mr Hashemi-Rafsanjani then said: Now, there are about 2,500 files at the disposal of the Foundation for the Oppressed, some of which involve confiscations and some others are about which no decisions have been made and which are being held. A great deal of these resources have been retrieved and are at the disposal of the Shahid Foundation, the Ministry of Commerce and other organizations. In the first year, about 70-80 percent of the industries of the country were taken from the usurpers. Some of these industries and factories were retrieved from the allies of the regime through the decisive role of the Revolution Council and some through the courts. He Said: The first step, which was to take back some of the people's rights, was taken in the first year of the revolution. However, the second step taken has been to protect this property during the revolution. As far as we know, the supervisors, managers, workers and all the operators of this Foundation have tried to protect the people's property. A great deal of the resources were identified and utilized and, of course, they have to be coordinated in order for these resources to be of maximum use for the people. In my opinion, the officials of the Foundation must take maximum advantage of the good work that has been done so far, lest the people say that they took the property from the enemies of the people, but were unable to manage it. If this happens, there are two potential harms, one is to the financial situation and another is to the prestige of the revolution. The people might say, when such things as the factories were managed by the supporters of the tyrant, they were profitable, but since they have been confiscated, they are no longer profitable.

Then, pointing out that the creation of large monopolistic industrial units in the style of the United States and European countries is not what we wish, Mr Hashemi-Rafsanjani said: The industrial and economic world of today requires the existence of large administrative units with strong management. For instance, an organization such as Krupp possesses great industrial power, which can implement large projects in the world. We do not want the industrial units which follow the rule of capital and are in line with economic domination to manage our affairs.

On the other hand, we do not want everything to be in the hands of the government or under government rule. It is here that the duty of the Foundation for the Oppressed becomes clear.

The speaker of the Majlis said: With precise planning and understanding of the needs, the Foundation must fill the void. You can accomplish great economic movements and plan large projects. Many tasks should not be carried out by the government. On the other hand, large amounts of capital must not be placed at the disposal of the private sector to become a leverage against the government. Such tasks are the responsibility of the Foundation for the Oppressed, which, by understanding the problems, must identify which parts of the country have the most shortages. For instance, in the area of road building or providing the cement deficit in the country, the Foundation for the Oppressed must make great strides to provide sufficient improved seeds at the disposal of the people. In the same vein, it must work in the area of housing and construction. Now, the Foundation for the Oppressed is a great economic center under the leadership of the revolution and in coordination with the government.

Therefore, if it wants to place these resources at the disposal of the people, it can accomplish great tasks. When the Foundation began its work, it had many debts and the banks also are asking for repayment of the many debts owed them on the basis of prior calculations. But today, the banks and the Foundation for the Oppressed are the same. The banks must not treat the Foundation as they would the private sector. The Foundation has a great deal of property with the banks. The bank shares of the Foundation, which were confiscated in accordance with the rulings of the Revolution Council and were given to the banks, must be calculated in some manner and be counted as partial payment of the debts of the Foundation, because these all belong to the oppressed and they should not be weakened. It is the duty of the banks, the government and other organizations to strengthen the Foundation, while the Foundation must also identify the problems. I believe that with the movement it has started, the Foundation will succeed in this effort.

Then, pointing out that the Foundation is able to create strike markets needed by the people in appropriate seasons in order to help solve the existing problems of distribution and inflation, the speaker of the Majlis said: All I have said was said as examples. But the essence of what I have to say is that you will make the best use of your power and resources through identifying the needs and through precise calculations. My decisive proposal to the management of the Foundation is that you speak with the people more, because the people are uninformed about the programs, the work and the problems of the Foundation. You public relations offices must be in constant contact with the Voice and Vision and other media to explain to the people the problems and issues of the supervisors and managers of the Foundation. You must be careful, for there are individuals who want to ruin the name of the Foundation. Many of those whose

property was confiscated might, through spreading rumors, show the people that the Foundation has not accomplished anything and has not been able to manage the property of the oppressed. The property of the Foundation must go the way of the religious endowments in the previous regime, when there was much injustice and misuse. Continue working with empathy and be assured that the reputation of the people, the revolution and yourselves depends on your good work. You have many enemies. We have seen clearly that anyone who has been put in charge of the Foundation in the course of this period has been attacked by the enemy in various ways. They tried to weaken him through speeches, writing, and creating problems and disruptions and to get on his nerves, so that he would be unable to continue his work. Try and, God willing, you will succeed and the Majlis will eliminate your legal needs as much as possible.

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CSO: 4640/364

IRAN

MINISTER OF MINES, METALS INTERVIEWED ON VARIOUS ISSUES

Tehran KEYHAN in Persian 28 Jan 85 p 3

[Interview with Minister of Mines and Metals Engineer Hoseyn Nili by KEYHAN; date and place not specified]

[Text] The role of the Ministry of Mines and Metals regarding the operation of the mines of the country, currency revenues of the country obtained from the raw materials of the mines, the severance of dependence and achievement of self-sufficiency, the capacity of the steel manufacturing complex, the reason for the low nominal capacity of the Sarcheshmeh copper complex, time frame for the operation of Mobarakeh steel, and the effects of the war on the economy were discussed in an exclusive interview with Engineer Hoseyn Nili, the minister of mines and metals.

The text of the interview of the economic correspondent of KEYHAN with Engineer Hoseyn Nili follows.

[Question] Please explain the role of and measures taken by the Ministry of Mines and Metals since its establishment in regards to operating the mines of the country.

[Answer] The operation of the mines of the country was taking place before the establishment of the Ministry of Mines and Metals, under the supervision of the Ministry of Industries and Mines. After the victory of the Islamic revolution, considering the expansiveness of the task of the Ministry of Industries and Mines, the Majlis decided to divide the duties of the Ministry. Hence, the Ministry of Mines and Metals was established and, in accordance with the law, took over the operation of the nation's mines. At the beginning of its activities, the Ministry of Mines and Metals began to study and identify the mines in the country and in this area, prepared and offered to the Majlis a new law appropriate to the conditions of the revolution. The above-

mentioned law was ratified by the Majlis during the period 21 March 1983-20 March 1984 and the Ministry of Mines and Metals began its work, more or less. It should be pointed out that the Ministry of Mines and Metals is just beginning its work and has a long way to go before it finds its proper place, and must be supported as a parent industry.

[Question] What are the annual currency revenues of the country from the raw materials of the mines, and in your opinion, what programs must be prepared to increase the national revenues from the mines?

[Answer] The currency revenues obtained from the country's mines cannot be calculated in figures and rials. For this reason, if the mines of the country become active, the first benefit will be the procurement of the needs of the country. Therefore, the more we are able to reduce our need for raw materials for the national industries--industries, smelting industries and non-metal industries--from abroad, the more we will have, in fact, obtained currency for our country. Hence, our first step is to reduce the import of raw materials, in which direction significant steps have been taken, some of which have been effective. In the next phase, the main, fundamental policy of the Ministry of Mines and Metals is attention to exports. In this area also, we have achieved success, which, God willing, will be announced to the public in the future.

[Question] What is the situation of the national mines with regard to specialized manpower? Do you need foreign experts in this area?

[Answer] The mine experts in Iran are of high quality. If these forces become active in their area of specialization and do not engage in non-mining occupations, there will certainly be no shortage of mine experts in the country. But this does not mean that we should build a wall around ourselves and pay no attention to the advancement of technology in the world in such areas as extraction, or be negligent in regards to exchanging geological information with other countries. The Ministry of Mines and Metals will be active in these areas and will, on the other hand, try to make use of domestic expert forces.

[Question] To what extent has the severance of dependence and the achievement of self-sufficiency resulted in the activity of the mines since the victory of the revolution, and in this connection, to what extent has the exit of currency been prevented annually?

[Answer] Achieving self-sufficiency and the severance of dependence in our country is not a slogan but the direction and result of our slogans of, Neither East nor West and Death to

America. If sufficient attention is paid to lowering the volume of imports and preventing the exit of currency from the society, certainly the direction towards self-sufficiency will be effective. Hence, in this area, we will be able to claim to have achieved self-sufficiency when we import no raw materials. At the present time, in regards to gypsum, lime, construction stones and the raw materials for cement, we are not dependent on abroad and there are no problems in this area. Of course, for the production of cement, production units must be built in various parts of the country to eliminate the present shortage of cement, considering the expansiveness of our implementary operations.

[Question] One of the present problems of the industries under the supervision of the Ministry of Mines and Metals under the present circumstances is machinery spare parts. What steps has this ministry taken to eliminate this deficiency?

[Answer] The shortage of machinery spare parts is a problem that concerns the whole of the national industries. Incidentally, in our industries under the supervision of the Ministry of Mines and Metals, the largest of which is Esfahan steel mill, this problem does not exist and the needed spare parts are produced in the factory itself. Efforts are underway to implement this method in the parent industries, such as Sarcheshmeh copper and steel manufacturing. Ultimately, it must be said that the industries under the supervision of Mines and Metals are facing fewer problems in terms of spare parts than other industries.

[Question] Can you explain the capacity of the steel manufacturing complexes and tell us when the shortage of such items as iron beams will be eliminated?

[Answer] At the present time, the production of construction steel in the steel manufacturing factories of the country reaches a figure of about 2.5 million tons. Of this amount, 1.9 million tons are produced in the Esfahan steel mill (presently, there is a problem in this area, after the elimination of which the 1.9-million-ton capacity will be able to be achieved), and the remaining 600,000 tons in the Ahvaz national steel group. It should not go unsaid that it is determined to bring the production capacity of the steel manufacturing factories to 7 million tons within the next 5 years, of which amount, 2.4 million tons of sheets will be produced at Mobarakeh steel and 2,150,000 tons of construction steel at the Ahvaz steel complex. At this juncture, according to the calculations that have been made, steel imports to the country will be fully controlled, in which case the country will no longer need to import steel. It should be pointed out that at present, steel is being imported from abroad.

[Question] What programs has the Ministry of Mines and Metals prepared to exploit the mines in the country and for the activity of the private sector in this area?

[Answer] We believe that the participation of the people in these affairs will have favorable results. For this purpose, the Ministry of Mines and Metals has asked the public through numerous announcements to invest in various areas of mines and industries related to the Ministry in order to have the participation of the government, private and cooperative sectors. In this connection, we generally believe that the national mines can be effective in stabilizing the population and preventing the migration of the villages. This is not possible except through the participation of the people and the inhabitants of villages.

[Question] We know that it takes two years time to make the tall steel mill furnace operational. It was recently rumored that this furnace has gone out. Please tell us to what extent the Esfahan steel mill has been developed for severance of dependence since the victory of the revolution? Is there a plan to expand this factory in the future?

[Answer] It is an unfounded rumor that the steel mill tall furnace has gone out; it is working quite well. But the second furnace, due to the initial problems in design, is working at only 60 percent of capacity, and due to the problem with regard to steel manufacturing, we are not presently making use of the full capacity of this furnace. In regards to whether or not there are plans to expand the steel mill, this is an issue that must be studied. At present, the expansion of the steel mill can neither be denied nor confirmed.

[Question] What is the reason for the low capacity of the Sarcheshmeh copper complex? Has the Ministry of Mines and Metals taken steps to bring this complex to its capacity?

[Answer] Unfortunately, the Sarcheshmeh copper complex is operating at about 30 percent of its capacity at present. On the whole, the problems of Sarcheshmeh copper are summed up in three areas, ordering and provisions, financial and specialized manpower problems which have existed from the beginning. Of course, certain steps have been taken by the management to solve the problems in this complex. We hope the operations of this large industrial complex will be more significant in the future.

[Question] At what stage is the Mobarakeh steel complex in Esfahan at the present time and when will it be operational?

[Answer] The construction operations and, on the whole, work in the Mobarakeh steel complex in Esfahan are making rapid progress. On the whole, the Mobarakeh steel project is a successful one and

at present, 25 percent of the physical plant has been completed. It should not go unsaid that the work on building the equipment is being followed up by the Iranian experts abroad and is making good progress. It should be pointed out that the Mobarakeh steel project in Esfahan should become operational during the period 21 March 1989-20 March 1990, according to the agreement.

[Question] What is the level of coal imports to the country at the present? What steps has the Ministry of Mines and Metals taken to achieve self-sufficiency and to sever dependence in this connection?

[Answer] The level of coal imports during the period 21 March 1983-20 March 1984 was about 700,000 tons. This amount declined to about 600,000 tons in 1984 and the Ministry of Mines and Metals projects that during the period 21 March 1985-20 March 1986, it will be reduced by 40 percent compared to the coal imports during the 1985-86 period compared to the coal imports of the 1984-85 period. Through planning, mechanizing and better exploitation of the coal mines as well as attending to the problems of the brother workers in such mines, who are considered among the most self-sacrificing strata of the society, we are determined to succeed in reducing coal imports.

[Question] At what stage is the operation of the construction materials and mines and the creation of a factory in Chaharmahall and Bakhtiari by the Ministry of Mines and Metals? Also, can you tell us what stage the operation of stagnant mines has reached? Have necessary investments been made in this area?

[Answer] I will answer this question in two parts. The first part is in connection with Chaharmahall and Bakhtiari. On the whole, up to the period 21 March 1983-20 March 1984, all the construction materials needed in the Province of Chaharmahall and Bakhtiari were provided from neighboring provinces. During the period 21 March 1984-20 March 1985, the central office of mines and metals of the province began the operation of several mines in this province. With the operation of these mines, at the present, about 30-40 percent of the needs of the province in regards to construction materials is provided from within the province, and we intend to eliminate the problem of the construction material shortage in the above-mentioned province by starting the operation of other mines. It should be pointed out that in the Province of Chaharmahall and Bakhtiari, mines exist with the raw materials for cement. With the creation of a cement factory in this area, we will be able to produce cement and we hope the Ministry of Industries will take steps in this connection.

In response to the second part of your question, I must say that the stagnant mines in the country are mostly lead, zinc and non-

metal mines, which, considering the increase in workers' wages, domestic transportation costs, the stabilization of prices on the world market--even their decline in certain cases, it is not feasible to work on such mines. In this connection, considering the government policy with regard to encouraging and supporting the export sector, we hope to reopen the stagnant mines in the country during the period 21 March 1985-20 March 1986.

[Question] With the operation of the workshop to transform scrap iron in Tehran, to what extent will the need for smelting furnaces be provided? Also, could you explain from what sources the needed scrap iron for the smelting furnaces has been procured?

[Answer] Of course, the scrap iron for the smelting furnaces has always been procured domestically. Previously, a 550,000-ton unit in Esfahan and a 50-60-ton [as published] unit in Ahvaz were operating, which provided the needs of the smelting furnaces. Here, it must be mentioned that with the programs underway to produce steel in the country, the feeling has been created that we must become active in the area of the production of the scrap iron needed for the smelting furnaces. At the present time, the scrap iron company is active in this area and we hope not to have any problems in this regard in the future.

[Question] What are the programs of the Ministry of Mines and Metals for training the expert manpower for the mines of the country?

[Answer] Naturally, training has an important place in planning and is of special importance in planning for industries and mines. In this connection, the Ministry of Mines and Metals has numerous training schools at its disposal, which include Towhid, Teknolozhi, Nakhlak mining, Kerman mining and Shahrud mining schools. It should be mentioned that so far, the capacity of these schools has been used very well in training a competent force. Also, the Ministry of Mines and Metals has established relations on the level of expertise with Iran Open University, Amir Kabir University, and other educational centers, and it has been decided that about 90 mining experts and 60 steel manufacturing experts should be trained in cooperation with these centers. In this connection, I must say that if the students do not respond positively to the mining field and if the closeness of the Ministry of Mines and the universities in regards to the training of specialized manpower is not created, in the long term, the country's mines will face problems.

[Question] What is your opinion about the war and its economic effects on the society? Please tell us whether or not the imposed war has prevented the growth and development of the mines of the country.

[Answer] If the Iranian nation were to deal with this imposed war in a classic form, it must be said that nothing would remain of this country. For this reason, since this war relies on the spirituality and internal bonds of human beings and the war is managed by various strata of the society, in general, the pressure on the economy is rather slight.

[Question] You traveled to Kerman Province last week and on this trip visited the mines of the province as well as the Sarcheshmeh copper complex. Explain the results of this trip.

[Answer] Of course, my trip this time was very short. The volume of work and existing problems in the province are so large that most of the time must be devoted to them. On the whole, I must say that the trip was good and hopeful. The existing situation with regard to the coal mines is quite satisfactory. The problems of Kerman mines and Sarcheshmeh copper as well as the brother workers were studied. The provisional problems of our brother workers in the coal mines of Kerman and the Sarcheshmeh copper complex could be seen clearly, and must be paid attention to.

[Question] You pointed to the problems of the mine and steel mill complex workers. Please tell us what steps have been taken by the Ministry of Mines and Metals in eliminating the problems of this strata of the society?

[Answer] In regards to eliminating the problems of the workers of this sector, we have made decisions, but their implementation requires planning. Concerning the problems of the coal mine workers, the Majlis has ratified a single article, which, if implemented, God willing, will solve many of the problems of the mine workers in the country, who work under the worst of conditions and deep in the ground and who have an uncertain future. It is necessary to mention that the problem of health in the mines must be handled by the Ministry of Health. We hope the Ministry of Health will pay more attention to this issue and will provide facilities for the physicians to be more absorbed by such centers. In addition to health problems, there are also other problems, such as housing, welfare and recreational facilities, and so on, which we consider our duty to take steps to eliminate.

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CSO: 4640/343

IRAN

OVER 12 BILLION RIALS INVESTED IN KHORASAN INDUSTRY

Tehran BURS in Persian 24 Dec 84 p 4

[Text] From the start of the current year up to the present, the Ministry of Heavy Industries has issued 144 statements of basic agreement for the creation of foundry units, metal-working, machine-building, metal room construction, hauling, mold-making and metal-lathing units throughout Khorasan Province. The amount of capital invested in them is 12.765 billion rials. When a number of these units became operational about 2,500 persons gained employment. In an interview with an IRNA correspondent, Eng Jadir, ministry of heavy industries representative in Khorasan Province, announced these facts and said: In order to raise the percentage of products made domestically, to support small industries, and to finish and produce tools, machinery, factory and blacksmith equipment, the Ministry of Heavy Industries has issued a total of 448 statements of basic agreement since the founding of the ministry's mission in Khorasan Province. Of this number, 144 statements of basic agreement have been issued since the beginning of the current year. They include 60 metal-lathing units, 22 machine-building units, 26 foundries, 12 mold-makers, 8 units making various metal parts, 5 blacksmiths, and one unit building metal rooms. Asked what plans the Ministry of the Heavy Industries had to support small industries, the Ministry of Heavy Industries representative replied: The policy of the Ministry of Heavy Industries is based on strengthening small domestic industries in order to achieve self-sufficiency and to prevent the importation of industrial goods from abroad. In this way there will be increasing growth in the production of industrial units. In conclusion he spoke about the issuance of basic agreements for large production and industrial units in which 50 million rials capital has been invested, and said: So far five basic agreements have been issued for large units: Automobile spare parts, a unit making bicycles in Quchan, two units making machinery and tools, and a large plan for a 10,000-ton cast-iron pulley unit in Esfarayen capitalized by the Industry and Mines Bank. Construction operations on the bicycle and automobile spare parts units are underway.

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CSO: 4640/309

IRAN

BRIEFS

SUGAR PRODUCTION IN ESFAHAN--9,300 tons of sugar have been produced in the Esfahan and Naqsh-e Jahan Factories since the beginning of the beet harvest this year. In an interview with an IRNA correspondent, the general director of Esfahan Province's lump and granulated sugar announced the facts above, and stated: During the past 8 months 25,000 tons of lump sugar and 60,000 tons of granulated sugar have been transported to Esfahan Province by 8,527 trucks. Pointing out that during this period 25,000 tons of lump sugar and 21,000 tons of granulated sugar have been sold in the province, he said: During this period 17,300 tons of lump sugar were produced in Esfahan's Kamyab Factory, and 13,300 tons of loaf sugar and 3,000 tons of lump sugar in the Sepahan Factory. In the interview Sa'adati mentioned that during the current year two lump and granulated sugar storehouses went into operation in Godpaigah and Qamsheh, each with a 10,000-ton capacity, and the two of them costing 20 million rials. He said: We are planning a terminal in order to provide the best possible service to truck-owners in the provinces of Hormozegan, Chahar Mahall va Bakhtiari, Esfahan and Bushehr who are responsible for transporting lump and granulated sugar in the southern region. The terminal would be built on 6,000 square meters of land and cost 50 million rials in credits. Preliminary steps have already been taken. [Text] [Tehran BURS in Persian 17 Dec 84 p 8] 9597

CSO: 4640/309

PAKISTAN

COMMENTARY VIEWS TRADE DEFICIT, ITS CAUSES

GF211236 Karachi JASARAT in Urdu 15 Feb 85 p 3

[Editorial: "A Trade Deficit of 53 Billion Rupees"]

[Text] During 1984, Pakistan suffered a trade deficit of 53 billion rupees. According to a report by the Chamber of Commerce and Industry, the deficit was caused by a heavy import bill, because: We have not yet been able to produce many small items. Apart from industrial goods in 1983, we imported goods like milk, butter, and cream totaling 450 million rupees. This means we cannot even produce enough milk for ourselves although much material is available within the country for modern dairyfarming. Despite the facilities available for raising milk cows, the industry has made little progress. However, to meet our tea drinking needs we imported 2.5 million rupees worth of tea during 1984. In 1983 tea drinking cost us 1.57 billion rupees. Thus, last year showed an increase. In 1984 we imported wheat worth 860 million rupees. Similarly, food oil cost us several billion more that year. The greatest expenditure is for petroleum and petroleum products. This costs us 20 billion rupees annually. It is a paradox that we even had to import cotton in 1983 and 1984.

All these figures certainly show the weakness of our economy. It shows that all the tall talk by the past and the present regimes has done little to reduce our dependence which is in fact on the rise. We have become a nation which is producing less yet consuming more. Our expenditure far outruns our income. It is indeed a shameful state for any developing country. While the government can be blamed for bad planning, so can we be blamed for our public attitude. If we resolve to do so, we can do without or do with less such items that are not strictly necessary. This is for the public to do. The people must keep their expenses within the bounds of their income.

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PAKISTAN

COOPERATION PACT WITH IRAQ SIGNED, DETAILS RELEASED

GF221320 Karachi DAWN in English 18 Feb 85 p 8

[Text] Islamabad, 17 Feb--Pakistan and Iraq have signed a protocol on trade, economic and technical cooperation at the end of the fourth session of Pakistan-Iraq joint ministerial commission here this afternoon.

The visiting Iraqi minister for irrigation, Mr 'Abd al-Wahhab Mahmud 'Abdallah, signed the protocol on behalf of Iraq, while the federal minister of finance, commerce and economic coordination, Mr Ghulam Ishaq Khan, who led the Pakistani delegation, signed the document on behalf of Pakistan.

The four-day talks were held in an extremely cordial and friendly atmosphere reflecting complete understanding and common bonds of religion, culture and history which provide a lasting basis for development of close and brotherly relations between the two Muslim countries.

The two sides noted with satisfaction the steady growth of cooperation in economic, commercial, technical and cultural fields and reaffirmed their resolve to further strengthen and expand this mutually beneficial cooperation.

The two sides reviewed the development of trade between Pakistan and Iraq and expressed their keen desire and determination to further develop and diversify trade between the two countries. In this connection, both the sides have identified a number of items for exports and imports between each other.

The items which can be exported to Iraq from Pakistan are: Cotton and cotton manufactures, textiles, ready-made garments, rice, wheat and barley, petroleum products, leather and leather manufactures, surgical goods/medical instruments, machinery and transport equipment including engineering and electrical goods, chemical and pharmaceutical products, handicrafts, etc.

Items which could be imported to Pakistan from Iraq are: trucks and agricultural machines, electrical transformers and meters, water pumps for air coolers, spark plugs, distilled water etc.

With a view to increasing trade between the two countries the Pakistan side informed the Iraqi delegation, that the Government of Pakistan has issued instructions to banks to allow exports to Iraq on deferred payment basis for 2 years for a number of items.

The Iraqi side requested Pakistan to arrange training of Iraqi personnel and to provide services of Pakistani experts and technicians in the fields of agriculture, irrigation, industry, health, vocational training, tourism and air transportation etc.

The progress of work being executed by state-owned Pakistani construction companies in Iraq, i.e. Mechanised Construction of Pakistan (MCP), NCCP [expansion unknown] and Nespak was also reviewed and the problems of these companies were discussed. In this connection, the two sides noted with satisfaction that four projects had been completed.

With the object of increasing cooperation in planning, the Iraqi side will send a team of experts from the Ministry of Planning to get acquainted with the methodology and methods employed in Pakistan by the planning authorities.

The Pakistan side took note and stated that they would consult the relevant authorities and convey their reply to the Iraqi side as soon as possible.

The two sides also agreed to hold the fifth session of Pakistan-Iraq JMC [joint ministerial commission] in Baghdad by the end of this year.

Speaking on the occasion, the Iraqi minister of irrigation, Mr 'Abd al-Wahhab Mahmud 'Abdallah expressed his great satisfaction at the signing of the protocol and said that it will open up new vistas for commercial and economic cooperation between Pakistan and Iraq.

He said that the measures specified in the document will provide an opportunity for increasing the exports and imports between each other and diversify cooperation in agriculture, industry and other economic sectors.

He also expressed the confidence that the visit of his delegation to Pakistan will add a new chapter to promotion of political, social and economic relations between the two Muslim brotherly countries.

He also expressed his deep gratitude to the members of Pakistani delegation for this cooperation and hospitality.

Replying to the Iraqi minister's observations, the finance minister, Mr Ghulam Ishaq Khan said that he shared the happiness over the successful conclusion of the fourth session of Pakistan-Iraq Joint Commission and signing of the protocol. He said that our deliberations are characterized by a great deal of brotherhood and sincerity towards brotherly Muslim countries.

He assured that although Pakistan is a poor country but it was always ready to share its expertise with Muslim countries and assist them in whatever way it can. "By assisting each other, we assist the Muslim Ummah", the minister added.

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